



## **BASIC FINANCIAL STATEMENTS**

**MARION COUNTY, INDIANA**  
**(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS-MARION COUNTY)**  
**STATEMENT OF NET ASSETS**  
**DECEMBER 31, 2002**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Assets</b>			
Cash and investments	\$ 56,500,393	\$ 507,178	\$ 57,007,571
Receivables (net of allowance for uncollectibles):			
Taxes	13,350,029	—	13,350,029
Accrued interest	15,759	—	15,759
Intergovernmental	15,547,200	133,000	15,680,200
Other	255,967	—	255,967
Net pension asset	4,579,202	—	4,579,202
Capital assets (net of accumulated depreciation):			
Land	29,555	—	29,555
Buildings and improvements	39,261,282	3,640,000	42,901,282
Furniture and equipment	9,613,429	—	9,613,429
Vehicles	11,454,335	—	11,454,335
Construction in progress	12,672,117	—	12,672,117
Total assets	<u>163,279,268</u>	<u>4,280,178</u>	<u>167,559,446</u>
<b>Liabilities</b>			
Accounts payable	13,546,757	—	13,546,757
Accrued liabilities	5,847,374	—	5,847,374
Intergovernmental payables	47,623,673	10,375	47,634,048
Unearned revenue	640,447	299,375	939,822
Long-term liabilities:			
Due within one year	13,617,270	—	13,617,270
Due in more than one year	44,053,911	—	44,053,911
Total liabilities	<u>125,329,432</u>	<u>309,750</u>	<u>125,639,182</u>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	33,206,103	3,640,000	36,846,103
Unrestricted	4,743,733	330,428	5,074,161
Total net assets	<u>\$ 37,949,836</u>	<u>\$ 3,970,428</u>	<u>\$ 41,920,264</u>

See accompanying notes to the basic financial statements.

**MARION COUNTY, INDIANA**  
**(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS-MARION COUNTY)**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:						
Administration and finance	\$ 32,505,602	\$ 21,466,203	\$ —	\$ (11,039,399)	\$ —	\$ (11,039,399)
Protection of people and property program	70,927,052	8,561,777	4,353,944	(58,011,331)	—	(58,011,331)
Corrections program	64,605,117	5,858,863	3,855,278	(54,890,976)	—	(54,890,976)
Judicial program	40,035,570	5,836,559	6,609,646	(27,589,365)	—	(27,589,365)
Culture and recreation program	1,396,038	1,745	1,438,176	43,883	—	43,883
Real estate and assessments program	14,645,783	5,872,845	—	(8,772,938)	—	(8,772,938)
Health and welfare	12,758,374	—	4,971,991	(7,786,383)	—	(7,786,383)
Interest on long-term debt	2,932,964	—	—	(2,932,964)	—	(2,932,964)
Total governmental activities	239,806,500	47,597,992	21,229,035	(170,979,473)	—	(170,979,473)
Business-type activities:						
Forensic training	103,793	331,372	—	—	227,579	227,579
Juvenile court alternative school services	515,000	509,500	—	—	(5,500)	(5,500)
Total business-type activities	618,793	840,872	—	—	222,079	222,079
Total	\$ 240,425,293	\$ 48,438,864	\$ 21,229,035	(170,979,473)	222,079	(170,757,394)
General revenues:						
Property taxes				110,159,928	—	110,159,928
Financial institution tax				1,272,952	—	1,272,952
Excise tax				10,866,112	—	10,866,112
Local option income tax				32,132,791	—	32,132,791
Other state and local taxes				427,079	—	427,079
Unrestricted investment earnings				4,311,323	—	4,311,323
Total general revenues				159,170,185	—	159,170,185
Change in net assets				(11,809,288)	222,079	(11,587,209)
Net assets - beginning of year				49,759,124	3,748,349	53,507,473
Net assets - end of year				\$ 37,949,836	\$ 3,970,428	\$ 41,920,264

See accompanying notes to the basic financial statements.

**MARION COUNTY, INDIANA**  
**(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS-MARION COUNTY)**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2002**

	<u>General</u>	<u>State and Federal Grants</u>	<u>Property Reassessment</u>	<u>Cumulative Capital Development</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>						
Cash and investments	\$ 30,565,581	\$ 39,438	\$ 4,631,922	\$ 712,650	\$ 17,013,314	\$ 52,962,905
Receivables ( net of allowance for uncollectibles)						
Accrued interest	14,221	—	1,453	—	85	15,759
Intergovernmental	10,642,501	2,629,412	—	—	84,146	13,356,059
Other	137,835	—	—	—	79,896	217,731
Due from other funds	13,424,204	—	72,339	370,442	377,313	14,244,298
Total assets	<u>\$ 54,784,342</u>	<u>\$ 2,668,850</u>	<u>\$ 4,705,714</u>	<u>\$ 1,083,092</u>	<u>\$ 17,554,754</u>	<u>\$ 80,796,752</u>
<b>Liabilities and Fund Balances (Deficits)</b>						
<b>Liabilities:</b>						
Accounts payable	\$ 5,492,674	\$ 611,286	\$ 15,045	\$ —	\$ 556,181	\$ 6,675,186
Accrued liabilities	5,134,643	194,897	89,389	—	387,477	5,806,406
Intergovernmental payables	46,818,518	—	—	—	805,155	47,623,673
Due to other funds	5,169,832	796,900	—	—	59,132	6,025,864
Deferred revenue	16,714,089	1,065,767	97,287	498,516	538,929	18,914,588
Total liabilities	<u>79,329,756</u>	<u>2,668,850</u>	<u>201,721</u>	<u>498,516</u>	<u>2,346,874</u>	<u>85,045,717</u>
<b>Fund balances (deficit):</b>						
Reserved for:						
Encumbrances	1,239,170	—	26,186	—	122,377	1,387,733
Debt service	—	—	—	—	515,267	515,267
Unreserved, reported in:						
General fund	(25,784,584)	—	—	—	—	(25,784,584)
Special revenue funds	—	—	4,477,807	—	14,580,796	19,058,603
Capital projects funds	—	—	—	584,576	(10,560)	574,016
Total fund balances	<u>(24,545,414)</u>	<u>—</u>	<u>4,503,993</u>	<u>584,576</u>	<u>15,207,880</u>	<u>(4,248,965)</u>
Total liabilities and fund balances	<u>\$ 54,784,342</u>	<u>\$ 2,668,850</u>	<u>\$ 4,705,714</u>	<u>\$ 1,083,092</u>	<u>\$ 17,554,754</u>	
Amounts reported for governmental activities in the statement of net assets are different because:						
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds statements						67,440,804
Revenues not available in fund statements but earned and recognized in statement of net assets						18,274,141
Internal service fund is used by management to charge the costs of information technology to individual funds. The assets and liabilities of the internal service fund is included in governmental activities in the statement of net assets						5,432,790
Net pension asset not recorded in the funds statement						4,579,202
Long-term liabilities including capital leases are not due and payable in the current period and therefore are not reported in the funds						(53,528,136)
Net assets of governmental activities						<u>\$ 37,949,836</u>

See accompanying notes to the basic financial statements.

**MARION COUNTY, INDIANA**  
**(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS-MARION COUNTY)**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>General</u>	<u>State and Federal Grants</u>	<u>Property Reassessment</u>	<u>Cumulative Capital Development</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>						
Taxes	\$ 132,204,933	\$ —	\$ 1,838,394	\$ 9,223,125	\$ 10,874,564	\$ 154,141,016
Intergovernmental	10,775,940	10,232,027	—	—	1,379,185	22,387,152
Interest	4,415,849	—	71,596	—	8,318	4,495,763
Charges for services	11,126,660	—	—	—	10,565,456	21,692,116
Miscellaneous	4,805,608	—	2,495	372,890	189,298	5,370,291
Total revenues	<u>163,328,990</u>	<u>10,232,027</u>	<u>1,912,485</u>	<u>9,596,015</u>	<u>23,016,821</u>	<u>208,086,338</u>
<b>Expenditures</b>						
Current:						
General government	90,888,822	2,495,716	2,423,330	—	3,829,561	99,637,429
Public safety	102,258,477	7,398,888	—	—	8,027,677	117,685,042
Welfare	1,816,011	—	—	—	—	1,816,011
Capital outlay	13,375,988	—	—	5,485,212	—	18,861,200
Distribution to the City of Indianapolis	—	—	—	4,150,407	—	4,150,407
Debt service:						
Principal	—	—	—	—	10,000,000	10,000,000
Interest and fiscal charges	—	—	—	—	994,392	994,392
Total expenditures	<u>208,339,298</u>	<u>9,894,604</u>	<u>2,423,330</u>	<u>9,635,619</u>	<u>22,851,630</u>	<u>253,144,481</u>
Excess (deficiency) of revenues over expenditures:	<u>(45,010,308)</u>	<u>337,423</u>	<u>(510,845)</u>	<u>(39,604)</u>	<u>165,191</u>	<u>(45,058,143)</u>
<b>Other Financing Sources (Uses)</b>						
Transfers in	461,682	—	—	—	41,747	503,429
Transfers out	—	—	—	—	(532,440)	(532,440)
Proceeds from capital lease additions	13,375,988	—	—	—	—	13,375,988
Total other financing sources and uses	<u>13,837,670</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(490,693)</u>	<u>13,346,977</u>
Net change in fund balances	(31,172,638)	337,423	(510,845)	(39,604)	(325,502)	(31,711,166)
Fund balances (deficit) - beginning of year	6,627,224	(337,423)	5,014,838	624,180	15,533,382	27,462,201
Fund balances (deficit) - end of year	<u>\$ (24,545,414)</u>	<u>\$ —</u>	<u>\$ 4,503,993</u>	<u>\$ 584,576</u>	<u>\$ 15,207,880</u>	<u>\$ (4,248,965)</u>

See accompanying notes to the basic financial statements.

**MARION COUNTY, INDIANA**  
**(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS-MARION COUNTY)**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL**  
**ACTIVITIES TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

Amounts reported for governmental activities in the statement of activities (page 25) are different because:

Net changes in fund balances—total governmental funds (page 25)	\$ (31,711,166)
Depreciation expense reported in the statement of activities but not in the funds statements	(4,144,006)
Capital expenditures reported in the funds statements but not reported as additions to capital assets in the statement of activities	6,334,458
Loss on disposal of capital assets not recorded in the funds statement	(791,143)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	7,757,365
Notes principal payments reported as expenditures in the funds statements but as reductions of long-term liabilities in the statement of activities	10,000,000
Capital lease principal payments reported as expenditures in the funds statements but as reductions of long-term liabilities in the statement of activities	1,561,837
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported a expenditures in governmental funds.	(816,633)
Change in net assets of governmental activities (page 23)	\$ <u>(11,809,288)</u>

See accompanying notes to the basic financial statements.

**MARION COUNTY, INDIANA**  
**(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS-MARION COUNTY)**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
**DECEMBER 31, 2002**

	Business-type Activities - Enterprise Funds			Governmental Activities— Internal Service Fund
	Forensics Training	Juvenile Court Alternative School Services	Total	
Assets				
Current assets:				
Cash and investments	\$ 173,579	\$ 333,599	\$ 507,178	\$ 3,537,488
Due from other funds	—	—	—	1,366,922
Intergovernmental receivables	54,000	79,000	133,000	2,191,141
Total current assets	227,579	412,599	640,178	7,095,551
Non-current assets:				
Capital assets:				
Buildings and improvements	—	4,000,000	4,000,000	—
Furniture and equipment	—	—	—	11,642,236
Less accumulated depreciation	—	(360,000)	(360,000)	(6,052,322)
Total capital assets (net of accumulated depreciation)	—	3,640,000	3,640,000	5,589,914
Total noncurrent assets	—	3,640,000	3,640,000	5,589,914
Total assets	227,579	4,052,599	4,280,178	12,685,465
Liabilities				
Current liabilities:				
Accounts payable	—	—	—	3,068,661
Accrued liabilities	—	—	—	87,726
Compensated absences	—	—	—	109,745
Intergovernmental payable	—	10,375	10,375	—
Unearned income	—	299,375	299,375	—
Capital leases payable-current	—	—	—	1,409,530
Total current liabilities	—	309,750	309,750	4,675,662
Noncurrent liabilities:				
Capital leases payable	—	—	—	2,577,014
Total noncurrent liabilities	—	—	—	2,577,014
Total liabilities	—	309,750	309,750	7,252,676
Net Assets				
Invested in capital assets, net of related debt	—	3,640,000	3,640,000	1,603,370
Unrestricted	227,579	102,849	330,428	3,829,419
Total net assets	\$ 227,579	\$ 3,742,849	\$ 3,970,428	\$ 5,432,789

See accompanying notes to the basic financial statements.

**MARION COUNTY, INDIANA**  
**(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS-MARION COUNTY)**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

	<b>Business-type Activities - Enterprise Funds</b>			<b>Governmental Activities— Internal Service Fund</b>
	<b>Forensics Training</b>	<b>Juvenile Court Alternative School Services</b>	<b>Total</b>	
Operating revenues:				
Training fees	\$ 331,372	\$ —	\$ 331,372	\$ —
Student tuition	—	509,500	509,500	—
Charges for services	—	—	—	27,412,142
Other reimbursements	—	—	—	3,366,641
Miscellaneous	—	—	—	137,943
Total operating revenues	<u>331,372</u>	<u>509,500</u>	<u>840,872</u>	<u>30,916,726</u>
Operating expenses:				
Costs of teaching	103,793	435,000	538,793	—
Services and charges	—	—	—	22,975,599
Administration including salaries and wages	—	—	—	1,751,531
Depreciation	—	80,000	80,000	1,102,497
Other	—	—	—	60,895
Total operating expenses	<u>103,793</u>	<u>515,000</u>	<u>618,793</u>	<u>25,890,522</u>
Operating income (loss)	<u>227,579</u>	<u>(5,500)</u>	<u>222,079</u>	<u>5,026,204</u>
Nonoperating expenses:				
Interest expense	—	—	—	258,374
Total nonoperating expenses	<u>—</u>	<u>—</u>	<u>—</u>	<u>258,374</u>
Income (loss) before transfers	<u>227,579</u>	<u>(5,500)</u>	<u>222,079</u>	<u>4,767,830</u>
Transfers in	<u>—</u>	<u>—</u>	<u>—</u>	<u>29,011</u>
Change in net assets	<u>227,579</u>	<u>(5,500)</u>	<u>222,079</u>	<u>4,796,841</u>
Net assets - beginning of year	<u>—</u>	<u>3,748,349</u>	<u>3,748,349</u>	<u>635,948</u>
Net assets - end of year	<u>\$ 227,579</u>	<u>\$ 3,742,849</u>	<u>\$ 3,970,428</u>	<u>\$ 5,432,789</u>

See accompanying notes to the basic financial statements.



**MARION COUNTY, INDIANA**  
**(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS-MARION COUNTY)**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

	<b>Business-type Activities - Enterprise Funds</b>			<b>Governmental Activities— Internal Service Fund</b>
	<b>Forensics Training</b>	<b>Juvenile Court Alternative School Services</b>	<b>Total</b>	
<b>Cash Flows from Operating Activities</b>				
Receipts from customers and users	\$ 277,372	\$ 555,250	\$ 832,622	\$ 16,570,122
Receipts from interfund services provided	—	—	—	14,082,144
Payments to suppliers	(103,793)	(435,000)	(538,793)	(23,664,871)
Payments to employees	—	—	—	(1,730,148)
Net cash provided by operating activities	173,579	120,250	293,829	5,257,247
<b>Cash Flows from Noncapital Financing Activities</b>				
Transfer from other funds	—	—	—	29,011
Net cash provided by noncapital financing activities	—	—	—	29,011
<b>Cash Flows from Capital and Related Financing Activities</b>				
Purchases of capital assets	—	—	—	(428,443)
Principal paid on capital leases	—	—	—	(1,637,961)
Interest paid on capital leases	—	—	—	(258,374)
Net cash used by capital and related financing activities	—	—	—	(2,324,778)
Net increase in cash and cash equivalents	173,579	120,250	293,829	2,961,480
Cash and cash equivalents - beginning of year	—	213,349	213,349	576,008
Cash and cash equivalents - end of year	\$ 173,579	\$ 333,599	\$ 507,178	\$ 3,537,488
Reconciliation of Operating Income (loss) to Net Cash Provided by Operating Activities:				
Operating income (loss)	\$ 227,579	\$ (5,500)	\$ 222,079	\$ 5,026,204
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation expense	—	80,000	80,000	1,102,497
(Increase) in intergovernmental receivables	(54,000)	(84,500)	(138,500)	(686,092)
Increase in due from other funds	—	—	—	(181,139)
Decrease in accounts payable	—	—	—	(25,606)
Increase in accrued liabilities	—	—	—	15,580
Increase in compensated absences payable	—	—	—	5,803
Increase in intergovernmental payable	—	10,375	10,375	—
Increase in unearned income	—	119,875	119,875	—
Total adjustments	(54,000)	125,750	71,750	231,043
Net cash provided by operating activities	\$ 173,579	\$ 120,250	\$ 293,829	\$ 5,257,247

See accompanying notes to the basic financial statements.

**MARION COUNTY, INDIANA**  
**(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS-MARION COUNTY)**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**DECEMBER 31, 2002**

		<b>Pension Trust Funds</b>	<b>Agency Funds</b>
	<b>Assets</b>		
Cash and investments		\$ 111,637,272	\$ 56,693,232
Receivables:			
Property taxes		—	73,246,606
Accrued interest		370,803	—
Due from other funds		4,043,009	2,118,085
Total assets		<u>116,051,084</u>	<u>\$ 132,057,923</u>
	<b>Liabilities</b>		
Accrued liabilities		130,116	\$ —
Due to other funds		—	15,746,450
Pending purchase of investments		1,565,088	—
Amounts held in custody for others		—	116,311,473
Total liabilities		<u>1,695,204</u>	<u>\$ 132,057,923</u>
	<b>Net Assets</b>		
Net assets for employees' pension benefits		<u>\$ 114,355,880</u>	

See accompanying notes to the basic financial statements.

**MARION COUNTY, INDIANA**  
**(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS-MARION COUNTY)**  
**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

	<b>Pension Trust Funds</b>
<b>Additions</b>	
Contributions:	
Employer	\$ 3,776,231
Employee	1,003,848
Total contributions	4,780,079
Investment earnings:	
Interest	3,039,444
Net increase (decrease) in the fair value of investments	(14,954,537)
Less investment expense	(425,834)
Net investment earnings (loss)	(12,340,927)
Miscellaneous	69,850
Total additions	(7,490,998)
<b>Deductions</b>	
Benefits	5,671,075
Total deductions	5,671,075
Change in net assets	(13,162,073)
Net assets - beginning of year	127,517,953
Net assets - end of year	\$ 114,355,880

See accompanying notes to the basic financial statements.

**MARION COUNTY, INDIANA**  
**(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS-MARION COUNTY)**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Financial Reporting Entity:**

Marion County is a unit of local government created by the State of Indiana, governed by the following officials, each of whom is granted certain independent executive authority under the State Constitution:

County Auditor	County Prosecutor	County Surveyor
County Treasurer	County Recorder	Clerk of the Circuit Court
County Coroner	County Sheriff	Judge of the Circuit Court

The legislature of the State of Indiana has provided for certain additional elected officials who are not mentioned in the Constitution to exercise certain independent executive authority. These are the county assessor, township assessors and superior court judges.

In accordance with GASB Statement No. 14, *The Financial Reporting Entity*, Marion County is considered a component unit of the Consolidated City of Indianapolis-Marion County. The County and the Consolidated City share a common executive and legislative body. Otherwise the County is considered a separate legal entity, with its elected officials directly and separately (from City officials) responsible for financial independence, operations and accountability for fiscal matters. Accordingly, the basic financial statements of the County are included in the reporting entity of the Consolidated City of Indianapolis-Marion County in accordance with guidelines established by the Governmental Accounting Standards Board (GASB).

Based on the criteria established in GASB 14, the County has no component units under the current financial reporting requirements.

Marion County has an investment in the Indianapolis-Marion County Building Authority; a joint venture with the Consolidated City of Indianapolis (City). Because the County shares joint control equally with the City, and the County and City retain an ongoing financial responsibility, information concerning this joint venture is included in Note 15.

**B. Government-wide and Fund Financial Statements:**

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the County. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes and other items not properly included among program revenue.

Following the government-wide financial statements are separate financial statements for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The County has determined that the General Fund, State and Federal Grants, Property Reassessment, and Cumulative Capital Development funds are major governmental funds. All other governmental funds are reported in one column labeled "Other Governmental Funds". The total fund balances for all governmental funds is reconciled to net assets for governmental activities as shown on the statement of net assets. The net change in fund balances for all governmental funds is reconciled to the total change in net assets for governmental activities as shown on the statement of activities in the government-wide statements. The County has two enterprise funds (business-type activities), Juvenile Court Alternative

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School Services and Forensics Training. Each of these enterprise funds is considered a major fund within the fund financial statements. Additionally, the County has one internal service fund (governmental activities) which accounts for the operations of the Information Services Agency. All internal service fund activity is combined into a single column on the proprietary fund statements, since major fund reporting requirements do not apply to internal service funds. The County also has two fiduciary fund types: pension trust funds and agency funds.

**C. Financial Statement Presentation, Measurement Focus and Basis of Accounting:**

The fund financial statements of the County are organized on the basis of funds, each of which is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, fund balances/net assets, revenue and expenditures, or expenses. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are summarized by type in the basic financial statements. The following fund types are used by the County:

Governmental Fund Types

Governmental funds are those through which most governmental functions are financed. The acquisition, uses and balances of the County's expendable financial resources and the related liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. The governmental fund types utilize the current resources measurement focus.

The following are the County's major governmental funds:

The General Fund is used to account for all revenues and expenditures applicable to the general operations of governmental agencies of the County, except those required to be accounted for in another fund. All operating revenues which are not restricted as to use by sources external to the County are recorded in the General Fund.

The State and Federal Grants Fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. This fund accounts for the majority of the County's state and federal grants programs received from the U.S. Marshall, U.S. Department of Justice, U.S. National Highway Traffic Safety Administration, U.S. Department of Health and Human Services, State of Indiana Department of Corrections, Indiana Criminal Justice Institute, Indiana Division of Family and Children and various other state and federal agencies.

The Property Reassessment Fund is used for the purpose of receiving and holding in escrow tax distribution for the funding for the next property reassessment. Funds are held in escrow until distribution is authorized by the State Legislature, whereby; the distribution is made to each township assessor.

The Cumulative Capital Development Fund is used to account for financial resources to be used for the renovation and/or construction of major capital facilities as approved by the City-County Council, other than those financed by proprietary funds.

The other governmental funds of the County are considered nonmajor. They are special revenue funds which account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes; debt service funds which account for the accumulation of resources for, and repayment of, general obligation long-term debt principal, interest and related costs, and; capital projects funds which account for resources designated to construct or acquire major capital facilities.

Proprietary Fund Types

Proprietary funds are used to account for activities that are similar to those found in the private sector. Proprietary funds utilize the economic resources measurement focus.

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The following are the County's proprietary fund types:

Enterprise – Enterprise funds are used to account for operations that are financed and operated in a manner similar to private sector business enterprises – where the intent of the governing body is that the costs (including depreciation) of operations are financed primarily through user charges. Enterprise funds have been established for the Juvenile Court Alternative School Services and Forensics Training. The Juvenile Court Alternative School Services Fund accounts for the operation of the “New Directions Academy.” The Academy is financed through fees collected from local municipal school systems. The Forensics Training Fund is used to account for fees collected in providing training in forensic science to domestic and foreign students. The cost associated with training is to be recovered through the training fees charged.

Internal Service – Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of a government, or to other governments, on a cost reimbursement basis. An internal service fund has been established for the County's Information Services Agency, which provides information technology services to other agencies of the County, or to other governmental units on a cost-reimbursement basis.

In accordance with the provisions of GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the County has elected, in addition to applying Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board opinions, and Accounting Research Bulletins issued on or before November 30, 1989, to apply all FASB Statements and Interpretations issued after November 30, 1989, except those that conflict with or contradict GASB pronouncements within the business-type activities in the government-wide financial statements and proprietary fund financial statements.

**Fiduciary Fund Types**

Fiduciary – Fiduciary funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, or other governmental units. These include pension trust funds and agency funds. Pension trust funds are accounted for and reported similar to proprietary funds. The pension trust funds account for the Marion County Law Enforcement Personnel Retirement Plan and the Marion County Law Enforcement Personnel Dependents and Disability Benefits Plan. Agency funds are accounted for and reported similar to the proprietary funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for the collection, distribution and escrow of various tax types, fees and set aside funding.

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the basic financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied and the tax rates are certified in the subsequent year. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. At year-end, entries are recorded for financial reporting purposes to reflect the modified accrual basis of accounting for governmental funds types and the accrual basis of accounting for the proprietary fund types and pension trust funds.

Under the modified accrual basis of accounting, revenues are recognized as they become susceptible to accrual, generally as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers taxes to be available if they are collected and distributed within 60 days of the end of the current fiscal period. For all other revenue items, the County considers revenues to be available if they are collected within 120 days of the end of the current

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fiscal period. Significant revenues susceptible to accrual include property and other taxes, grants and interest on investments. Charges for services in the governmental funds are recognized as revenues when received in cash because they are generally not measurable until actually received. Expenditures generally are recorded when the related fund liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures to long-term liabilities, such as compensated absences and claims and judgments, are recorded only when payment is due (i.e. matured).

GASB Statement No. 33 groups nonexchange transactions into four classes, based upon their principal characteristics: derived tax revenues, imposed exchange revenues, government mandated nonexchange transactions and voluntary nonexchange transactions.

The County recognizes assets from derived tax revenue transactions in the period when the underlying exchange transaction on which the tax is imposed occurs or when the assets are received, whichever occurs first. Revenues are recognized, net of estimated refunds and estimated uncollectible amounts, in the same period that the assets are recognized, provided that the underlying exchange transaction has occurred. Resources received in advance are reported as deferred revenues until the period of the exchange.

The County recognizes assets from imposed nonexchange revenue transactions in the period when an enforceable legal claim to the assets arises or when the resources are received, whichever occurs first. Revenues are recognized in the period when the resources are required to be used or the first period that use is permitted or at the same time as the assets of the government have not established time requirements. The County recognizes revenues from property taxes, net of estimated refunds and uncollectible amounts, in the period for which the tax is levied and the rates are certified. Imposed nonexchange revenues also include court fines and forfeitures.

Intergovernmental revenues, representing grants and assistance received from other governmental units, are generally recognized as revenues in the period when all eligibility requirements, as defined by GASB 33 have been met. Any resources received before eligibility requirements are met are reported as deferred revenues.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the Juvenile Court Alternative School Services are providing schooling to juveniles. All expenses related to the operations of the Forensics Training Fund are reported as operating expenses. Operating expenses for the Internal Service Fund include the cost of sales and services, administrative expenses, and depreciation. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

All agency funds are purely custodial in nature (assets equal liabilities) and do not present results of operations or have a measurement focus. Agency funds are accounted for similarly to the governmental funds.

For the pension trust funds, under the accrual basis of accounting, contributions are recognized in the period in which they are due and benefits are recognized when they become due and payable.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

**D. Cash and Investments:**

Investments are stated at fair value. Fair value for investments are determined by closing market prices at year end as reported by the investment custodian. When funds pool cash for investment, income from the pooled investments is primarily allocated to the General Fund except when income is restricted by statute or an outside party to be used for a specific purpose.

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**E. Receivables and Payables:**

All outstanding balances between funds are reported as due to / from other funds. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

All trade and taxes receivable balances are shown net of an allowance for uncollectibles. See Note 1.F. for further discussion on property taxes.

**F. Property Taxes:**

Property taxes levied for all governmental entities located within Marion County are collected by the Treasurer of Marion County, Indiana (Treasurer). These taxes are then distributed by the Auditor of Marion County, Indiana (Auditor) to the County and the other governmental entities at June 30 and December 31 of each year. The County and the other governmental entities can request advances of their portion of the collected taxes from the Auditor once the levy and tax rates are certified by the State of Indiana, Department of Local Government Finance. The Department of Local Government Finance typically certifies the levy on or before February 15 of the year following the property tax assessment.

The County's 2002 property taxes were levied based on assessed valuations determined by the Auditor as of the March 1, 2001 assessed valuations which were adjusted for estimated appeals and tax credits and deductions. The lien date for the 2002 property taxes was March 1, 2001 (assessment date), however, the County does not recognize a receivable on the lien date as the amount of property tax to be collected can not be measured until the levy and tax rates are certified in the subsequent year. Taxable property is assessed at 33 1/3% of the true tax value. In 2002, taxes were due and payable to the Treasurer in two installments on May 10, 2002 and November 13, 2002. The Auditor distributed all property taxes collected by November 13, 2002 to each applicable governmental entity based upon their levy amounts prior to December 31, 2002. All taxes collected by the Treasurer and not distributed at December 31, 2002 (i.e., collections from November 14, 2002 to December 31, 2002) were held in the Treasurer's Tax Collections Agency Fund and are not considered available for fund statement purposes to the County as these monies will not be settled and distributed to the County until at least 60 days after year-end. Delinquent property taxes outstanding at December 31, 2002, net of allowance for uncollectible accounts of \$386,778 (\$326,085 in General Fund, \$5,387 in Property Reassessment Fund, \$27,653 in Cumulative Capital Development Fund and \$27,653 in other nonmajor governmental funds), are recorded as a receivable in the funds that will receive property taxes in 2002 in the government-wide statements. The funds statements have recorded the same receivable as a due from other funds (i.e. Treasurer's Tax Collections Fund) with a corresponding amount in deferred revenue since the amounts are not available to the County.

**G. Inventory:**

Purchase of materials and supplies in the governmental fund types and governmental activities are charged to expenditures as incurred. Amounts of inventories in such funds are immaterial. The proprietary fund types do not have inventory.

**H. Capital Assets:**

Capital assets, which include land; buildings and improvements; furniture and equipment; vehicles and construction in progress are reported in the applicable governmental or business-type activities column in the government-wide financial statements and in the proprietary fund financial statements. Capital assets are defined by the County as assets with an initial, individual cost or donated value of more than \$1,000 and an estimated useful life in excess of one year. Such purchased or constructed assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets lives are not capitalized.

Depreciation, including depreciation recognized on assets acquired through government grants is computed on the straight-line method with no salvage over the estimated useful lives of the various classes of assets. Further, in the year of acquisition and disposal, the County's policy is to take one-half of a year's depreciation expense for the related capital assets. The following range of lives is generally used:



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	<u>Years</u>
Buildings and improvements	20 to 50
Furniture and equipment	5 to 20
Vehicles	8 to 15

**I. Deferred and Unearned Revenue:**

Deferred revenue is reported in the fund statements for receivables not considered available at year-end or for which eligibility requirements have not been met. Deferred revenue is recognized as revenue when it is earned and considered measurable and available in the fund financial statements. See Note 1.C. for further discussion on the County's availability policy.

Unearned revenue is reported in the government-wide financial statements. The availability period does not apply; however, amounts may not be earned due to eligibility requirements or other reasons.

**J. Compensated Absences:**

Substantially all County employees earn benefit leave time. The County's benefit leave policy provides that, upon retirement or resignation, County employees are paid for their total unused benefit leave. In addition, upon retirement an employee may be paid for accumulated sick time at a rate of two for one. The entire cost of benefit and sick leave is recorded in the government-wide statements and in the proprietary funds in the financial statements. Certain amounts have been recorded in the governmental fund financial statements, since such amounts are due (i.e. mature) at December 31, 2002.

**K. Interfund Transactions:**

In the fund financial statements, the County has the following types of transactions among funds:

Transfers

Legally authorized transfers are reported when incurred as transfers in by the recipient fund and as transfers out by the disbursing fund.

Interfund Services Provided/Used

Charges or collections for services rendered by one fund for another are recognized as revenues (interfund services provided) of the recipient fund and expenditures or expenses (interfund services used) of the disbursing fund. These transactions are recorded as interfund services because they would be treated as revenues and expenditures or expenses if they involved organizations external to the County.

Within the accompanying activity from the statement of activities, direct expenses are not eliminated from the various functional categories. Indirect expenses are eliminated from the respective functional categories.

Certain internal payments are treated as program revenues, such as internal services provided and used. Certain internal payments are treated as a reduction of expense, such as reimbursements.

Elimination of interfund activity has been made for governmental activities in the government-wide financial statements.

**L. Fund Balance / Net Assets:**

In the fund financial statements, governmental funds report reservations for fund balances for the amounts that are not available for future appropriation or are legally restricted by outside parties for the use for specific purposes. Amounts are reserved for outstanding encumbrances and debt service. Designations of fund balance represent tentative management plans that are subject to change. At December 31, 2002, the County had no fund balance designations.

The government-wide and proprietary fund financial statements utilize a net asset presentation. Net assets are categorized as invested in capital assets, net of related debt, and unrestricted.

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Invested in Capital Assets, Net of Related Debt

This category groups all capital assets into one component of net assets. Accumulated depreciation and outstanding balances of debt including capital leases that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.

Unrestricted Net Assets

This category represents net assets of the County not included in invested in capital assets, net of related debt, or restricted for any project or other purpose.

**M. Pensions:**

The County has separate defined benefit pension plans which cover substantially all employees. The Indiana Public Employees Retirement Fund (PERF), administered by the State of Indiana, applies to County employees. The Marion County Law Enforcement Personnel Retirement Plan (Retirement Plan) and the Marion County Law Enforcement Personnel Dependents and Disability Benefits Plan (Disability Plan) cover employees of the Sheriff's Department. The policy of the County is to fund accrued pension costs for the plans. Past service costs are amortized over 40 years for all plans.

The plan assets of the Retirement and Disability Plans are accounted for under the accrual method. Employee and employer contributions are recognized as revenues in the period due pursuant to final commitments, as well as statutory or contractual requirements; and expenses, including benefits paid and refunds, are recorded when the corresponding payments are made. Investments are recorded at fair value. Bonds and stocks traded on a national exchange are valued at the reported sales price.

**N. Estimates and Uncertainties:**

The preparation of the basic financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported changes in equity during the reporting period. Actual results could differ from those estimates.

**O. Statement of Cash Flows:**

For purposes of the statement of cash flows of the proprietary funds, cash and cash equivalents are considered deposits and any nonnegotiable certificates of deposits with a maturity within 90 days of purchase date.

**P. Accounting Change and Reconciliation of Net Assets:**

Effective January 1, 2002, the County adopted GASB Statement No. 34, *Basic Financial Statements – and Management Discussion and Analysis – For State and Local Governments* (GASB No. 34), GASB Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus* (GASB No. 37), GASB Statement No. 38, *Certain Financial Statement Note Disclosures* (GASB No. 38) and GASB Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*.

GASB No. 34 (as amended by GASB No. 37) represents a very significant change in the financial reporting model used by state and local governments.

GASB No. 34 requires government-wide financial statements to be prepared using the accrual basis of accounting. Government-wide financial statements do not provide information by fund or account group, but distinguish between the County's governmental activities and business-type activities on the statement of net assets and statement of activities. Additionally, the County's statement of net assets includes governmental capital assets and long-term liabilities of the County, which were previously recorded in the general fixed assets account group and the general long-term debt account group, respectively. In addition, the government-wide statement of activities reflects depreciation expense on the County's capital assets.

In addition to the government-wide financial statements the County has prepared fund financial statements, which continue to use the modified accrual basis of accounting for the County's General Fund, State and Federal Grants, Property Reassessment, Cumulative Capital Development, and nonmajor governmental funds, which is similar to that previously

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presented for these funds in the County's financial statements, although the format of financial statements has been modified by GASB No. 34.

GASB No. 34 also includes, as required supplementary information, Management's Discussion and Analysis, which provides an analytical overview of the County's financial activities. In addition, budgetary comparison schedules are presented as required supplementary information which compare the original and final revised General Fund budget, State and Federal Grants budget, and Property Reassessment budget with actual results.

GASB No. 38 requires certain disclosures to be made in the notes to the basic financial statements concurrent with the implementation of GASB No. 34. While this statement did not affect amounts reported in the financial statements of the County, certain note disclosures have been added and amended including descriptions of activities of major funds, future debt service and lease obligations in five year increments, and interfund balances and transactions.

These statements had a significant effect on the County's financial reporting model. All statements were retroactively applied to January 1, 2002. Reconciliation of net assets within the government-wide financial statements is as follows:

Beginning fund equity, as previously reported	\$27,025,208
Required GASB 34 adjustments as of December 31, 2001:	
Capital assets, net accumulated depreciation	58,000,667
Long-term and other liabilities	(50,670,641)
Revenue recognition	15,076,776
Expense recognition - interest	(318,082)
Net pension asset	4,393,545
	<hr/>
Beginning fund equity	<u><u>\$53,507,473</u></u>

**Q. New Accounting Pronouncements:**

GASB has issued Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, Statement No. 40, *Deposit and Investment Risk Disclosure*, and GASB Technical Bulletin No. 2003-1, *Disclosure Requirements for Derivatives Not Reported at Fair Value on the Statement of Net Assets*. The County intends to implement these GASB Statements and technical bulletins on their respective effective dates.

**NOTE 2—CASH AND INVESTMENTS**

The County maintains a cash and investment pool that is available for use by all funds, except the Pension Trust Funds. Each fund type's portion of this pool is displayed in the financial statements as "cash and investments." In addition, investments are held separately in several of the County's funds. The deposits and investments of the Pension Trust Funds are held separately from those of other County funds.

The County's cash deposits (including cash equivalents) and non-negotiable certificates of deposit are insured in full at December 31, 2002 by the combination of federal depository insurance and the Indiana Public Deposit Insurance Fund. The County's cash equivalents held during 2002 consisted entirely of non-negotiable certificate of deposits with a maturity date within 90 days of date of purchase.

State statutes authorize the County to invest in certificates of deposit, obligations of the U.S. government and U.S. government agencies, and repurchase agreements. The statutes further require that repurchase agreements must be collateralized at 100% of market value on the day of trade by U.S. government or U.S. government agency obligations. The Pension Trust Funds are authorized to invest in bonds, debentures, notes, obligations of the U.S. Treasury, U.S. government agencies, mutual funds, and other corporate securities.

The County's investments are categorized to give an indication of the level of custodial credit risk assumed at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the County or its agent in the County's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counter-party's trust department or agent in the County's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counter-party, or by its trust department or agent but not in the County's name.

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Investments in pools managed by other governments, mutual funds or in guaranteed investment contracts that are not evidenced by a physical security are not required to be categorized.

The following is a summary of the investments as well as a reconciliation of cash and investments as shown on the statement of net assets at December 31, 2002:

	<b>Category - 3 Carrying Amount</b>	<b>Reported Amount / Fair Value</b>
U.S. government and agency obligations	\$ 11,275,656	\$ 11,275,656
Foreign government obligations	205,113	205,113
Corporate obligations	20,241,115	20,241,115
Corporate equity securities	74,806,538	74,806,538
Total investments	<u>\$ 106,528,422</u>	<u>106,528,422</u>
Cash deposits		<u>118,809,653</u>
Total cash and investments		<u>\$ 225,338,075</u>

The following is a reconciliation of the County's deposit and investments balances at December 31, 2002.

	<b>Government- wide Statement of Net Assets</b>	<b>Fiduciary Funds Statement of Fiduciary Net Assets</b>	<b>Total</b>
Cash and investments	\$ <u>57,007,571</u>	\$ <u>168,330,504</u>	\$ <u>225,338,075</u>

**NOTE 3—RECEIVABLES**

All net receivables amounts outstanding at December 31, 2002 are scheduled for collection during the subsequent fiscal year.

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds and governmental activities defer revenue recognition in connection with resources that have been received, but not yet earned. At December 31, 2002, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

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	<u>Unavailable</u>	<u>Unearned</u>
Taxes receivable, net of allowance for uncollectible accounts	\$ 13,352,708	\$ —
Grant reimbursements not received within 120 days	<u>3,361,381</u>	<u>—</u>
Total General Fund	<u>16,714,089</u>	<u>—</u>
Grant draw downs prior to meeting all eligibility requirements	—	640,447
Grant reimbursements not received within 120 days	<u>425,320</u>	<u>—</u>
Total State and Federal Grants	<u>425,320</u>	<u>640,447</u>
Taxes receivable, net of allowance for uncollectible accounts	<u>97,287</u>	<u>—</u>
Total Property Reassessment	<u>97,287</u>	<u>—</u>
Taxes receivable, net of allowance for uncollectible accounts	<u>498,516</u>	<u>—</u>
Total Cumulative Capital Development	<u>498,516</u>	<u>—</u>
Taxes receivable, net of allowance for uncollectible accounts	505,387	—
Grant reimbursements not received within 120 days	16,816	—
Other	<u>16,726</u>	<u>—</u>
Total nonmajor governmental funds	<u>538,929</u>	<u>—</u>
Total	<u>\$ 18,274,141</u>	<u>\$ 640,447</u>

**NOTE 4—INTERGOVERNMENTAL RECEIVABLES**

Intergovernmental receivables at December 31, 2002 are as follows:

	<u>Governmental Activities</u>				<u>Business-type Activities</u>	
	<u>General Fund</u>	<u>State &amp; Federal Grants Fund</u>	<u>Other Non-major</u>	<u>Internal Service</u>	<u>Juvenile Court Alternative School Services</u>	<u>Forensics Training</u>
State of Indiana Department of Corrections	\$ 40,040	\$ 209,920	\$ —	\$ —	\$ —	\$ —
Indiana Criminal Justice Institute	—	1,576,984	—	—	—	—
Indiana Division of Family and Children	3,429,131	188,400	—	—	—	—
State of Indiana - Other	1,421,997	—	—	—	—	—
U.S. Department of Immigration	4,277	—	—	—	—	—
U.S. Department of Justice	10,619	310,075	—	—	—	—
U.S. Marshall	233,895	2,153	—	—	—	—
City of Indianapolis	5,453,856	269,365	10,253	2,115,246	—	—
Other governmental entities	<u>48,686</u>	<u>72,515</u>	<u>73,893</u>	<u>75,895</u>	<u>79,000</u>	<u>54,000</u>
	<u>\$ 10,642,501</u>	<u>\$ 2,629,412</u>	<u>\$ 84,146</u>	<u>\$ 2,191,141</u>	<u>\$ 79,000</u>	<u>\$ 54,000</u>

All amounts are expected to be received in 2003.

**NOTE 5—ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS**

The allowance for uncollectible accounts, which have been deducted from the related receivable in the government-wide statement of net assets, consists of the following balances:

<b>Governmental activities:</b>	
Tax receivable - General Fund	\$326,085
Tax receivable - Property Reassessment	5,387
Tax receivable - Cumulative Capital Development	27,653
Tax receivable - Nonmajor governmental funds	27,653

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**NOTE 6—INTERFUND TRANSACTIONS AND BALANCES**

Funds are transferred from one fund to support expenditures of other funds in accordance with authority established for the individual fund. The composition of due to / from other funds as of December 31, 2002, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	State and Federal Grants	\$ 796,900
	Nonmajor Governmental Funds	59,132
	Fiduciary - Agency Funds	12,568,172
		<u>13,424,204</u>
Property Reassessment	Fiduciary - Agency Funds	<u>72,339</u>
Cumulative Capital Development	Fiduciary - Agency Funds	<u>370,442</u>
Internal Service Fund	General Fund	<u>1,366,922</u>
Nonmajor Governmental Funds	Fiduciary - Agency Funds	<u>377,313</u>
Fiduciary - Pension Trust Funds	General Fund	3,802,910
	Fiduciary - Agency Funds	240,099
		<u>4,043,009</u>
Fiduciary - Agency Funds	Fiduciary - Agency Funds	<u>2,118,085</u>
Total		<u><u>\$ 21,772,314</u></u>

All of these interfund balances are due to (1) unsettled property taxes outstanding at December 31, 2002, (2) timing differences, (3) pension contributions, or (4) the elimination of negative cash balances with the various funds. All interfund balances are expected to be repaid during the fiscal year ending December 31, 2003 or when the property taxes are collected and settled.

Interfund transfers for the year ended December 31, 2002 consisted of the following:

<u>Transfer To</u>	<u>Transfer From Nonmajor Governmental Funds</u>
General Fund	\$ 461,682
Internal Service Fund	29,011
Nonmajor Governmental Funds	41,747
	<u>\$ 532,440</u>

Interfund transfers were used (1) to move revenues from the fund that ordinance or budget requires to collect them to the fund which will ultimately expend them, 2) use unrestricted revenues collected in one fund to finance capital improvements and other funds in accordance with budgetary authorization, or 3) move revenues in excess of current year expenditures to other funds.

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**NOTE 7—CAPITAL ASSETS**

The following is a summary of changes in capital assets-governmental activities for the year ended December 31, 2002:

	<b>Balance January 1, 2002</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance December 31, 2002</b>
<b>Governmental activities:</b>				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 29,555	\$ —	\$ —	\$ 29,555
Construction in progress	—	12,672,117	—	12,672,117
Total capital assets, not being depreciated	<u>29,555</u>	<u>12,672,117</u>	<u>—</u>	<u>12,701,672</u>
<i>Capital assets, being depreciated:</i>				
Buildings and improvements	76,318,792	—	—	76,318,792
Furniture and equipment	23,290,889	2,644,949	(719,982)	25,215,856
Vehicles	15,728,952	4,117,952	(1,822,803)	18,024,101
Total capital assets being depreciated	<u>115,338,633</u>	<u>6,762,901</u>	<u>(2,542,785)</u>	<u>119,558,749</u>
<i>Less accumulated depreciation for:</i>				
Buildings and improvements	(35,558,183)	(1,499,327)	—	(37,057,510)
Furniture and equipment	(14,426,131)	(1,896,278)	719,982	(15,602,427)
Vehicles	(5,750,528)	(1,850,898)	1,031,660	(6,569,766)
Total accumulated depreciation	<u>(55,734,842)</u>	<u>(5,246,503)</u>	<u>1,751,642</u>	<u>(59,229,703)</u>
Total capital assets, being depreciated, net	<u>59,603,791</u>	<u>1,516,398</u>	<u>(791,143)</u>	<u>60,329,046</u>
Governmental activities capital assets, net	<u>\$ 59,633,346</u>	<u>\$ 14,188,515</u>	<u>\$ (791,143)</u>	<u>\$ 73,030,718</u>

Construction in progress consists of renovation of the new arrestee processing center at Jail II.

The following is a summary of changes in capital assets – business type activities for the year ended December 31, 2002:

	<b>Balance January 1, 2002</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance December 31, 2002</b>
<b>Business-type activities:</b>				
<i>Capital assets, being depreciated:</i>				
Building	\$ 4,000,000	\$ —	\$ —	\$ 4,000,000
Total capital assets being depreciated	<u>4,000,000</u>	<u>—</u>	<u>—</u>	<u>4,000,000</u>
<i>Less accumulated depreciation for:</i>				
Building	(280,000)	(80,000)	—	(360,000)
Total accumulated depreciation	<u>(280,000)</u>	<u>(80,000)</u>	<u>—</u>	<u>(360,000)</u>
Total capital assets, being depreciated, net	<u>3,720,000</u>	<u>(80,000)</u>	<u>—</u>	<u>3,640,000</u>
Business-type activities capital assets, net	<u>\$ 3,720,000</u>	<u>\$ (80,000)</u>	<u>\$ —</u>	<u>\$ 3,640,000</u>

All business-type activities are reported in the Juvenile Court Alternative School Services Fund.

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Within the statement of activities, depreciation expense was charged to functions/programs of the County as follows:

**Governmental activities:**

Administration and finance	\$ 425,723
Protection of people and property program	2,142,593
Corrections program	686,030
Judicial program	737,812
Real estate and assessments program	106,429
Health and welfare	45,419
Depreciation on capital assets held by the government's internal services are charged to the administration and finance function	<u>1,102,497</u>

Total depreciation expense - governmental activities	<u>\$ 5,246,503</u>
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**Business-type activities:**

Juvenile Court Alternative School Services	<u>\$ 80,000</u>
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Total depreciation expense - business-type activities	<u>\$ 80,000</u>
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**NOTE 8—ACCOUNTS PAYABLE AND OTHER CURRENT LIABILITIES DISAGGREGATION**

Accounts payable and other current liabilities at December 31, 2002 are as follows:

	<u>Vendors</u>	<u>Salaries and Employee Benefits</u>	<u>Intergovern- mental</u>	<u>Claims and Settlements</u>	<u>Other- Pension Trust Contributions</u>	<u>Total Payables and Other Current Liabilities</u>
<b>Governmental activities:</b>						
General Fund	\$ 5,489,174	\$ 5,134,643	\$ 46,818,518	\$ 3,500	\$ —	\$ 57,445,835
State and Federal Grants	611,286	194,897	—	—	—	806,183
Property Reassessment	15,045	89,389	—	—	—	104,434
Other nonmajor governmental funds	556,181	387,477	805,155	—	—	1,748,813
Internal Service Fund	3,068,661	197,471	—	—	—	3,266,132
Reconciliation of balances in fund financial statements to government -wide financial statements	<u>—</u>	<u>(156,503)</u>	<u>—</u>	<u>—</u>	<u>3,802,910</u>	<u>3,646,407</u>
Total - governmental activities	<u>\$ 9,740,347</u>	<u>\$ 5,847,374</u>	<u>\$ 47,623,673</u>	<u>\$ 3,500</u>	<u>\$ 3,802,910</u>	<u>\$ 67,017,804</u>
<b>Business-type activities:</b>						
Juvenile Court Alternative School Services	<u>—</u>	<u>—</u>	<u>10,375</u>	<u>—</u>	<u>—</u>	<u>10,375</u>
Total - business-type activities	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 10,375</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 10,375</u>



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**NOTE 9—LONG-TERM LIABILITIES**

**Changes in long-term liabilities**

The following is a summary of long-term debt and other long-term liabilities for the year ended December 31, 2002:

	<b>Balance January 1, 2002</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance December 31, 2002</b>	<b>Due Within One Year</b>
<b>Governmental activities:</b>					
General obligation notes	\$ 20,000,000	\$ —	\$ (10,000,000)	\$ 10,000,000	\$ 10,000,000
Capital leases	29,648,428	13,375,988	(3,199,801)	39,824,615	3,066,012
Claims and judgments	725,000	774,500	—	1,499,500	504,500
Compensated absences	5,921,718	6,347,066	(5,921,718)	6,347,066	46,758
Total - governmental activities	<u>\$ 56,295,146</u>	<u>\$ 20,497,554</u>	<u>\$ (19,121,519)</u>	<u>\$ 57,671,181</u>	<u>\$ 13,617,270</u>

The business-type activities had no long-term liabilities at December 31, 2002. The Internal Service Fund predominantly serves the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year end \$109,745 of the Internal Service Fund's compensated absences are included in the above amounts as well as \$3,986,544 in capital leases. Also, for the governmental activities, claims and judgments and compensated absences are generally liquidated by the General Fund. Capital leases payments for governmental activities are paid out of the General Fund and the Internal Services Fund. See Note 11 for further discussion on capital leases.

**General Obligation Notes**

The County issued general obligation notes to provide funds for the welfare expenditures in 2001. The original amount of general obligation notes issued was \$20,000,000 with interest of 3.87% annually. During 2002, no new general obligation notes were issued.

Annual debt service requirements to maturity for general obligation notes are as follows:

<b><u>Year ending December 31</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2003	<u>\$ 10,000,000</u>	<u>\$ 290,000</u>	<u>\$ 10,290,000</u>

The above notes are to be repaid from ad valorem taxes levied to the extent necessary against all taxable property within Marion County. The Welfare Judgment Fund (nonmajor governmental fund) is utilized to liquidate the above notes.

The County has a legal debt limit of \$188,761,463, which represents .67 percent of the net assessed value of Marion County property, as certified by the State of Indiana, Department of Local Government Finance.

**NOTE 10—SHORT-TERM DEBT ANALYSIS**

During 2002, the County issued tax anticipation notes in advance of property tax collections, depositing the proceeds in its General Fund and Family and Children Services Agency Fund. The City-County Council authorizes the temporary borrowing pending the receipt of taxes levied and repayment of loans on June 30 and December 31 of the year borrowed. These notes are necessary for operating purposes between the property tax distribution dates of June 30 and December 31 each year. Short-term debt activity for the year ended December 31, 2002 was as follows:

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<b>Fund</b>	<b>Balance January 1, 2002</b>	<b>Issued</b>	<b>Redeemed</b>	<b>Balance December 31, 2002</b>
General Fund	\$ —	\$ 57,686,782	\$ (57,686,782)	\$ —
Family and Children Services	—	31,834,785	(31,834,785)	—
Total	\$ —	\$ 89,521,567	\$ (89,521,567)	\$ —

**NOTE 11—LEASES**

The County leases its office building and parking lot jointly with the City over a 50-year term expiring on December 2012. The County and City will jointly obtain title to the building and parking lot in the future. Accordingly, the County's portion of the lease is classified as a capital lease. As a result of the lessor's early retirement of bonds associated with the building, no additional lease payments on the building were required after the July 1988 semi-annual payment. The County and the City have continued the facilities management aspect of the lease agreement. In 2002, the County paid \$3,306,017 for its share of building and maintenance costs. At December 31, 2002, the capitalized cost of the office building and parking lot was \$19,034,240 (\$16,940,472 of accumulated depreciation).

The County leased a jail addition over a 27-year lease term, expiring on December 2012. The lease had required the County to make annual average payments of \$2,392,000 to December 31, 2001. The County continues to pay the building operation and maintenance costs (\$1,247,150 in 2002). The County will obtain title to the property in the future. Accordingly, the lease is classified as a capital lease. At December 31, 2002, the capitalized cost of the jail addition was \$20,900,000 (\$7,314,999 of accumulated depreciation).

The County leases Jail II over a 19-year lease term expiring in 2016. The lease requires the County to make annual average payments of \$1,050,579 (\$1,043,000 in 2002) and to pay the building operation and maintenance costs (\$43,495 in 2002). The County will obtain title to the property at the completion of the lease term. Accordingly, the lease is classified as a capital lease. At December 31, 2002, the capitalized cost of Jail II was \$13,109,830 (\$1,179,885 of accumulated depreciation).

During 2002, the County amended the Jail II lease in order to renovate part of the Jail II building to become a new arrestee-processing center. See Note 19 for further discussion on the leasing arrangements.

The County leases its juvenile detention center over a 25-year lease term expiring in June 2015. The lease requires the County to make semi-annual payments of \$794,000 and to pay its share of building and maintenance costs (\$685,400 in 2002). The County will obtain title to the property at the completion of the lease term. Accordingly, the lease is classified as a capital lease. At December 31, 2002, the capitalized cost of the juvenile detention center was \$20,340,685 (\$9,631,073 of accumulated depreciation).

The County also leases certain equipment under capital leases expiring in various years through 2010. At December 31, 2002, the capitalized cost of equipment was \$14,553,575 (\$8,145,210 of accumulated depreciation).

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The following is a schedule of future minimum lease payments and the net present value of these minimum lease payments for the governmental activities at December 31, 2002.

	<b><u>Governmental Activities</u></b>
2003	\$ 5,243,487
2004	5,281,337
2005	4,926,415
2006	4,616,764
2007	3,689,887
2008 - 2012	18,224,928
2013 - 2017	12,295,000
2018 - 2022	<u>4,830,000</u>
	<u>59,107,818</u>
Less amount representing interest	<u>(19,283,203)</u>
Present value of net minimum lease payments	<u><u>\$ 39,824,615</u></u>

The business-type activities had no capital leases outstanding.

The County leases equipment and properties under operating leases which expire in various years through 2015. Governmental activities operating lease expenditures totaled \$3,350,686 for 2002 which included \$405,598 of operating lease expense for the Internal Service Fund. The business-type activities had no lease activity during 2002.

The following is a schedule of future minimum lease payments for all significant noncancellable operating leases with initial or remaining terms of one year or more as of December 31, 2002:

	<b><u>Governmental Activities</u></b>
2003	\$ 3,296,315
2004	3,070,905
2005	2,840,110
2006	2,624,541
2007	2,557,148
2008 - 2012	11,965,967
2013 - 2017	<u>434,539</u>
Total future payments	<u><u>\$ 26,789,525</u></u>

**NOTE 12—PENSION OBLIGATIONS**

The County maintains two benefit plans for law enforcement personnel which are reported as pension trust funds. Additionally, the County contributes to the statewide Indiana Public Employees Retirement Fund (PERF).

**(a) Plan Description**

*Marion County Law Enforcement Personnel Retirement Plan*

The Marion County Law Enforcement Personnel Retirement Plan (Retirement Plan) is a single-employer contributory defined benefit retirement plan covering certain employees of the Marion County Sheriff's Department other than those deputies that are employed by the Civil Sheriff. The Retirement Plan is administered in accordance with State statutes which require the County to make minimum contributions necessary to keep the plan sound on an actuarial basis according to State

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law. The Retirement Plan provides that each employee contributes 4.25% of their earnings to the plan, which is maintained in a reserve for member contributions and accumulates at a rate of 3% compounded annually. Contributions required of the employee may cease, at the election of the employee, following the completion of 20 years or more of credited service and prior to termination of employment. In 2002, the Plan was amended to reduce the employee contribution from 5.25% of compensation to 4.25% of compensation effective January 1, 2002.

Retirement Plan benefits begin to vest after 10 years of service. As of December 31, 2002, there are 142 fully vested employees (over 20 years of service), 68 partially vested (between 10 and 20 years of services), and 196 nonvested employees. Law enforcement employees who retire at or after age 55 with 10 years of credited services are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2.5% of the highest monthly average of consecutive five year salary per year of service up to a maximum of 20 years; plus 2.0% of such salary per year of service in excess of 20 years, if any, up to an additional 12 years; plus \$1.00 for each year of service up to a maximum of \$20.00. Full benefits do not commence before attainment of age 50; however, employees with 20 years of service can elect earlier benefits at a reduced rate. As of December 31, 2002, there are 226 retirees and beneficiaries receiving benefits, 4 terminated members entitled to benefits but not yet receiving benefits and 406 current active members.

Although it has not expressed any intent to do so, the County has the right to discontinue its contributions to the Retirement Plan at any time. Doing so in three consecutive years terminates the plan. In the event of plan termination, participants are entitled to their amount of contributions and a proportionate amount of any excess after certain benefits and expenses.

The County does not issue separate stand-alone financial statements for this plan.

*Marion County Law Enforcement Personnel Dependents and Disability Benefits Plan*

The Marion County Law Enforcement Personnel Dependents and Disability Benefits Plan (Disability Plan) is a single-employer defined benefit plan covering all participants in the Retirement Plan. The Disability Plan provides benefits to the beneficiaries of disabled employees and payments of pensions to dependent parents, surviving spouses and dependent children under age eighteen for deceased employees. This plan is accounted for in a single fund in accordance with State statutes which require the County to make minimum contributions necessary to keep the Plan sound on an actuarial basis. Each employee shall be required to contribute an amount equal to 5% of base pay. Contributions required of the employee may cease, at the election of the employee, following the completion of 20 years or more of credited service and prior to termination of employment. At December 31, 2002, there are 61 benefit recipients and no vested employees.

During 1997, the County conducted a cost of living actuarial study. As a result of this study, the Council adopted general ordinance number 162-97, which amended the plan to include cost of living adjustments. Effective January 1, 1998, and each year thereafter, all participants in payment status (both current and future) will be eligible for a cost of living increase. Benefit increases will not be available to terminated vested participants or the beneficiaries of participants. Applicable increases, if any, may be payable on the July 1 following the later of retirement date or attained age 55. The amount of the annual increase, if any, will depend on the change in the Consumer Price Index and will never exceed two percent.

The County does not issue separate stand-alone financial statements for this plan.

*PERF*

PERF is an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for state employees and employees of participating political subdivisions of the State of Indiana, in accordance with Indiana Codes 5-10.2 and 5-10.3.

PERF provides a contributory defined benefit plan. Substantially all County employees are covered by the plan except those covered by the Retirement and Disability Plans. The County pays the employee contribution portion, 3% of annual salary, which is mandated by State statute, in addition to the employer contribution amount, which is actuarially determined and is currently 3.00% of annual covered payroll.

PERF retirement benefits vest after 10 years of service. Under the defined benefit component, County employees who retire at or after age 65 with 10 or more years of creditable service; age 60 with 15 or more years creditable service; or if the sum of age and creditable service is greater than or equal to 85 (but not earlier than age 55); are entitled to an annual retirement

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benefit, payable monthly for life with 60 months guaranteed. Employees who have reached fifty years of age and have fifteen years of credited service will qualify for early retirement with reduced benefits. PERF also provides death and disability benefits. These benefit provisions and all other requirements are established by State statute and County ordinance.

PERF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing PERF, Harrison Building, Suite 800, 143 West Market Street, Indianapolis, Indiana 46204.

**(b) Funding Policy**

The County is obligated by state law to make all required contributions to the Retirement and Disability Plans based upon an annual actuarial valuation. The required contributions are actuarially determined. The costs of administering the plan are financed through plan assets. There are no long-term contracts for contributions to the plan. For PERF, the County pays the employee contribution portion, 3% of annual salary, which is mandated by State statute, in addition to the employer contribution amount, which is actuarially determined and is currently 3.0%.

**(c) Concentration of Investments**

No investments in any one organization (other than those issued by the U.S. government) represent five percent of plan net assets.

**(d) Annual Pension Cost and Net Pension Asset**

The significant actuarial assumptions used to determine the annual pension cost for each pension plan are summarized below:

	<b>Retirement Plan</b>	<b>Disability Plan</b>	<b>County Employees</b>
Valuation date	1/1/02	1/1/02	6/30/02
Actuarial cost method	Frozen initial liability	Aggregate	Entry age normal cost
Asset valuation method	75% of expected actuarial value plus 25% of market value	75% of expected actuarial value plus 25% of market value	75% of expected actuarial value plus 25% of market value
Investment return	7.5%	7.5%	7.25%
Projected salary increases	5.0%*	5.0%	5.0%
Post retirement increases	**	**	2% compounded annually after retirement
Amortization method	Level percentage of payroll	N/A****	Level percentage of payroll
Amortization period	Closed 40-year period	N/A****	Closed 40-year period***

\* 4% increase due to inflation and 1% due to merit / seniority.

\*\* The monthly benefit paid to retirees may increase each July 1 (on or after July 1, 1998) to reflect cost of living increases. The amount of annual increase, if any, will depend on the change in the Consumer Price Index and will never exceed 2%.

\*\*\* 30 year period is being phased in commencing July 1, 1998.

\*\*\*\* The aggregate actual cost method does not identify or separately amortize unfunded actuarial liabilities.

*Marion County Law Enforcement Personnel Retirement Plan*

For the plan year 2002, the County's annual pension cost of \$2,784,350 for the Retirement Plan was more than the required annual contribution of \$2,665,033, but less than the actual County contribution of \$2,853,196. The required contribution was determined as part of the January 1, 2002 valuation using frozen initial liability method. The calculation of the annual pension cost and the net pension asset (NPA) is as follows for the retirement plan:

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Annual Required Contribution (ARC)	\$ 2,665,033
Interest on Net Pension Asset	(104,648)
Adjustment to ARC	<u>223,965</u>
Annual Pension Cost	2,784,350
Actual Contribution Made	<u>(2,853,196)</u>
Increase in Net Pension Asset	68,846
Net Pension Asset at Beginning of Year	<u>1,395,304</u>
Net Pension Asset at End of Year	<u><u>\$ 1,464,150</u></u>

*Marion County Law Enforcement Personnel Dependents and Disability Benefits Plan*

For the plan year 2002, the County's annual pension cost of \$951,641 for the Disability Plan was more than the required annual contribution and the actual County contribution of \$949,714. The required contribution was determined as part of the January 1, 2002 valuation using aggregate cost liability method. The calculation of the annual pension cost and the NPA is as follows for the retirement plan:

Annual Required Contribution (ARC)	\$ 949,714
Interest on Net Pension Asset	(1,691)
Adjustment to ARC	<u>3,618</u>
Annual Pension Cost	951,641
Actual Contribution Made	<u>(949,714)</u>
Decrease in Net Pension Asset	(1,927)
Net Pension Asset at Beginning of Year	<u>22,543</u>
Net Pension Asset at End of Year	<u><u>\$ 20,616</u></u>

*PERF*

For the plan year 2002, the County's annual pension cost of \$2,047,180 for PERF was more than the required annual contribution of \$2,028,297 but less than the actual County contribution of \$2,165,918. The required contribution was determined as part of the June 30, 2002 valuation using entry age normal cost liability method. The calculation of the annual pension cost and the NPA is as follows for the retirement plan:

Annual Required Contribution (ARC)	\$ 2,028,297
Interest on Net Pension Asset	(215,738)
Adjustment to ARC	<u>234,621</u>
Annual Pension Cost	2,047,180
Actual Contribution Made	<u>(2,165,918)</u>
Increase in Net Pension Asset	118,738
Net Pension Asset at Beginning of Year	<u>2,975,698</u>
Net Pension Asset at End of Year	<u><u>\$ 3,094,436</u></u>

The total net pension asset of \$4,579,202, as of December 31, 2002, is reflected as a net pension asset within the governmental activities in the government-wide financial statements.

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**(e) Trend Information**

Selected trend information for the years ended December 31, 2002, 2001 and 2000 is as follows:

<u>Valuation Date</u>	<u>Annual Pension Cost</u>	<u>Percentage Contributed</u>	<u>Net Pension Asset</u>
<b>Marion County Law Enforcement Personnel:</b>			
<b>Retirement Plan</b>			
1/1/00	\$ 1,696,533	103.8%	\$ 1,360,416
1/1/01	2,320,015	101.5	1,395,304
1/1/02	2,784,350	102.5	1,464,150
<b>Disability Plan</b>			
1/1/00	\$ 1,154,329	99.9%	\$ 24,174
1/1/01	929,037	99.8	22,543
1/1/02	951,641	99.8	20,616
<b>County Employees</b>			
6/30/00	\$ 1,383,904	161.8%	\$ 2,672,373
6/30/01	1,681,927	118	2,975,698
6/30/02	2,047,180	106	3,094,436

**NOTE 13—RISK MANAGEMENT**

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The County is self insured for vehicle and general liability. In addition, the County participates in a public risk pool called Indiana Public Employers Plan, Inc. (IPEP) with relation to worker's compensation coverage, and purchases commercial insurance for claims for all other risks of loss. Settled claims have not exceeded the insurance coverage in any of the past three years.

Uninsured claims for vehicle and general liability are recorded when a determinable loss has been incurred. Incurred but not reported claims, in the aggregate, do not represent a material amount and therefore have not been accrued. The change in claims for 2001 and 2002 is as follows:

Unpaid claims, December 31, 2000	\$ —
Incurred claims and changes in estimates	200,825
Claims paid	<u>(200,825)</u>
Unpaid claims, December 31, 2001	—
Incurred claims and changes in estimates	200,825
Claims paid	<u>(200,825)</u>
Unpaid claims, December 31, 2002	<u><u>\$ —</u></u>

Prior to July 1, 1994, the County was self insured for workers' compensation claims. Beginning July 1, 1994, the County joined the Indiana Public Employers Plan, Inc. (IPEP), an Indiana not-for-profit corporation. IPEP is a group self-funded worker's compensation program for local governmental units. IPEP is not intended to function as an insurance company; rather it is a means of combining the administration of claims, of obtaining lower insurance rates and of sharing risks. IPEP is self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$400,000. Although premiums billed are determined on an actuarial basis, fund members are subject to a supplemental

**MARION COUNTY, INDIANA**  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**

assessment in the event of deficiencies and refunds in the event of excess. During 2002, the County paid an annual premium of \$582,291. Additional assessments related to the year ended December 31, 2002 are not considered likely and therefore, no liability has been provided. The change in claims for 2001 and 2002 is as follows:

Unpaid claims, December 31, 2000	\$ —
Incurred claims and changes in estimates	513,751
Claims paid	<u>(513,751)</u>
Unpaid claims, December 31, 2001	—
Incurred claims and changes in estimates	582,291
Claims paid	<u>(582,291)</u>
Unpaid claims, December 31, 2002	<u><u>\$ —</u></u>

**NOTE 14—DEFERRED COMPENSATION PLAN**

Employees of Marion County are eligible to participate in a deferred compensation plan (the Plan) adopted under the provisions of Internal Revenue Code (IRC) Section 457 (Deferred Compensation Plans with Respect to Service for State and Local Governments). The deferred compensation plan is available to all employees of the County. Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency. During 1997, the plan was amended to comply with the amendments to Section 457 of the Internal Revenue Code. Plan provisions were amended so that plan assets are held in trust by an independent trustee for the exclusive benefit of participants and their beneficiaries.

**NOTE 15—JOINT VENTURE**

The Indianapolis-Marion County Building Authority (Building Authority) is a joint venture of the County and the Consolidated City of Indianapolis (City). The Building Authority finances, acquires, constructs, improves, renovates, equips, operates, maintains and manages lands, governmental buildings and communication systems for governmental entities in Marion County. The Building Authority has no stockholders nor equity holders, and all bond and note loan proceeds, rentals and other revenues must be disbursed for specific purposes in accordance with provisions of Indiana Code 36-9-13 et. seq. and several trust indentures and loan agreements executed for the security of the holders of the bonds and notes.

The buildings are financed through the Building Authority's general obligation debt, which is repaid from rent received under long-term lease agreements with the County and City. See Note 11 for capital leases. All of the leases contain lease renewals and purchase options. If these options are not exercised, the leases provide for transfer, upon expiration of the lease, of ownership of the properties to the lessees free and clear of all obligations of the lease. The governing Indiana statute with respect to each of the Building Authority's leases provides that the government lessee(s) shall be obligated to levy annually a tax sufficient to produce each year the necessary funds to pay the lease rentals to the Building Authority. These leases provide for sufficient rent to service the debt and provide for operating costs.

The County's share of the joint venture consists primarily of 58% of the City-County Building and nearby parking lot determined by floor space, 100% of the Marion County Jail and Jail II, the Marion County Juvenile Detention Center, and the Marion County Sheriff's Roll Call Site. The City-County Building is an office building which houses the majority of the operations of the County and City. The City's share of the joint venture consists primarily of 42% of the City-County Building and parking lot, 100% of the Municipal Garage, Belmont Garage, and the Public Safety Training Academy and Public Safety Properties. The Environment Control Services Building is leased to other units of government and private parties. Public Safety Communications System operating costs are paid by the County agency Metropolitan Emergency Communication Agency.

The Building Authority has five members on the Board of Trustees, two of whom are appointed by the City-County Council of the Consolidated City of Indianapolis-Marion County, one by the Mayor of the City of Indianapolis in his capacity as the municipal executive of Indianapolis, one by the Mayor of the City of Indianapolis in his capacity as the county executive of Marion County, and one by the Marion County Board of Commissioners. The Trustees appoint the five members of the



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**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**

Board of Directors, which is the governing body of the Building Authority. The Building Authority is subject to the budgetary authority of the City-County Council, which equally represents the County and the City.

The Building Authority has various long-term debt obligations which are secured by the rent payments received from the County and City. During 2002, the County paid \$5,194,478 and \$5,337,662 in rent and maintenance, respectively. The amount of the Building Authority's principal current portion and long-term portion at June 30, 2002 was \$3,915,000 and \$35,820,000, respectively. The amount of accumulated net revenues retained in operating accounts at June 30, 2002 was \$62,265,882 and the amount of accumulated net revenues retained and used for building, site and project costs and related debt service was \$30,693,899 at June 30, 2002.

On October 16, 2002 the Building Authority issued \$12,000,000 of bond anticipation notes which bore interest at the LIBOR Rate 50 basis points, as adjusted from time to time and not to exceed 8%. These notes were issued in connection with the County's new Jail Arrestee Center. In connection with the issuance of these notes, the County approved and signed amendment number 1 to the Jail II lease to account for this transaction. See Note 19 for further discussion on final debt issuance on the Jail Arrestee Center.

A copy of the separately issued financial statements of the Indianapolis-Marion County Building Authority, which is prepared on a basis other than accounting principles generally accepted in the United States, is available upon request.

**NOTE 16—RELATED PARTY TRANSACTIONS**

The legislative body of the County is the same in several respects as that of the City, and the position of County Executive is held by the Mayor of the City. The County provides certain information technology and telephone services to the City. Revenues from these services were approximately \$15,000,000 in 2002, and the amount owed by the City to the County for these services was \$1,512,474 at December 31, 2002. In addition, the City owed the County \$602,755 for traffic tickets, \$986,137 for 911 dispatch services, \$15,123 for Gun Permit and Accident Report Fees, \$602,772 in IMAGUS receipts, and \$3,732,726 for other charges and services. In 2002, the County received \$3,944,547 of 911 dispatch fees from the City. At December 31, 2002, the County owed the City \$658,853 in deferral fees, \$146,302 in diversion fees, \$806,133 for fuel related to the Sheriff's fleet vehicles and \$255,367 for court costs to municipalities.

The City and County purchase certain insurance policies which cover risks of both entities. The City and County pay premiums associated with their own respective portions of the coverage. The City provides certain administrative services to the County, including purchasing, legal and other general administration. The City funds such services through a county-wide tax levy. The County does not compensate the City for these services. Conversely, the County provides, at no compensation, criminal, civil, juvenile, and probate court services to all municipalities and unincorporated areas in Marion County, administers the property tax administration and collection system for the same jurisdictions and the County jail and lockup. During 2002, the City agreed to pay to the County \$38.55 per prisoner day up to 98 beds to assist the County in meeting the increasing costs of operating the jail. The County received \$351,114 of such revenues in 2002 with an additional \$117,115 due from the City at December 31, 2002.

The County acts as either a subrecipient or a pass through agent for various state and federal grant programs with the City of Indianapolis during 2002.

**NOTE 17—DEFICIT FUND BALANCES**

At December 31, 2002, the following funds had deficit fund balances:

General Fund	\$ 24,545,414
Public Safety Capital Projects (Capital Projects Fund)	12,244
Sheriff's Continuing Education (Special Revenue Fund)	2,819

The County intends to request use of deferral program fees in future periods to eliminate the deficits in Public Safety Capital Projects and Sheriff's Continuing Education. The County intends to reduce the deficit in the General Fund via property taxes and controlling spending.

**MARION COUNTY, INDIANA**  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**

**NOTE 18—COMMITMENTS AND CONTINGENCIES**

The County has established a reserve for pending lawsuits which involve the County in the government-wide statements. The County has provided for probable aggregate liability resulting from such claims where the potential claims are not covered by insurance. Indiana law limits the liability of municipalities to \$300,000 per person and \$5,000,000 per occurrence. In the opinion of legal counsel, potential claims against the County not covered by claims and judgment liability provided in the financial statements would not materially affect the financial statements of the County. The County is vigorously defending its interest in all of the foregoing litigations.

The County participates in a number of federal and state financial assistance programs. Although the County federal grant programs have been audited in accordance with provisions of the Single Audit Act of 1996 through December 31, 2002, these programs are subject to financial and compliance audits by federal agencies. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although, the County expects such amounts, if any, to be immaterial.

**NOTE 19—SUBSEQUENT EVENTS**

In the prior year, the Indiana Supreme Court ruled that Indiana's current system for valuing property for assessment violated the Indiana Constitution and ordered that all future assessments be based on a fair market value system. Further, the next assessment was delayed until 2002 and payable 2003. Therefore, there is no effect on the 2002 financial statements. The County did finalize the reassessed property values and received certification of the levy amounts from the State of Indiana's Department of Local Government Finance in the spring of 2003. The tax bills were mailed to Marion County residents in June 2003 with first payment due date back to the County in September 2003.

In October 2002, the County entered into a lease amendment with the Building Authority on the Jail II existing lease. This amendment was for the Building Authority to renovate, construct, and equip the new arrestee processing center. On May 29, 2003, the County and the Building Authority entered into an addendum to the first amendment. This addendum finalized the fixed rental payments schedule over the life of the lease. The County will make semi-annual rental payments of \$483,000 beginning December 31, 2003 with the last payment to be made on December 31, 2022.

In March 2003, the County entered into an agreement with the Indianapolis Local Public Improvement Bond Bank to issue \$11,100,000 in notes. The proceeds of these notes are to be utilized to purchase new voting machines for all of Marion County. The notes carry a 1.6% annual interest rate and are to be repaid March 4, 2004. The County is currently working with the State of Indiana to obtain federal grant monies to assist the County in paying off the voting machine debt service costs.



**REQUIRED PENSION SUPPLEMENTARY INFORMATION  
(OTHER THAN MD&A)**

**MARION COUNTY, INDIANA**  
**(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS-MARION COUNTY)**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

		<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
		<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget—</b>
					<b>Positive</b>
					<b>(Negative)</b>
<b>Revenues</b>					
Taxes	\$	134,892,027	\$ 134,892,027	\$ 131,651,324	\$ (3,240,703)
Intergovernmental		11,941,094	11,941,094	11,325,143	(615,951)
Charges for services		8,289,350	8,289,350	10,409,915	2,120,565
Investment earnings		9,650,000	9,650,000	5,573,995	(4,076,005)
Miscellaneous		3,904,225	3,904,225	3,960,484	56,259
Total revenues		<u>168,676,696</u>	<u>168,676,696</u>	<u>162,920,861</u>	<u>(5,755,835)</u>
<b>Expenditures</b>					
Current:					
General government		102,451,916	102,628,915	101,936,643	692,272
Public safety		77,383,918	82,127,656	80,486,225	1,641,431
Welfare		<u>1,792,591</u>	<u>1,792,591</u>	<u>1,784,564</u>	<u>8,027</u>
Total expenditures		<u>181,628,425</u>	<u>186,549,162</u>	<u>184,207,432</u>	<u>2,341,730</u>
Deficiency of revenues over expenditures	\$	<u>(12,951,729)</u>	<u>(17,872,466)</u>	<u>(21,286,571)</u>	<u>\$ (3,414,105)</u>

See accompanying notes to the required supplementary information.

**MARION COUNTY, INDIANA**  
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**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED**  
**STATE AND FEDERAL GRANTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

		Budgeted Amounts		Actual Amounts	Variance with Final Budget— Positive (Negative)
		Original	Final		
Revenues					
Intergovernmental		\$ 9,988,958	\$ 9,988,958	\$ 9,213,951	\$ (775,007)
Total revenues		9,988,958	9,988,958	9,213,951	(775,007)
Expenditures					
Current:					
General government:		2,191,244	2,191,244	1,000,620	1,190,624
Public safety		14,549,700	14,549,700	8,609,321	5,940,379
Total expenditures		16,740,944	16,740,944	9,609,941	7,131,003
Deficiency of revenues over expenditures		\$ (6,751,986)	\$ (6,751,986)	\$ (395,990)	\$ 6,355,996

See accompanying notes to the required supplementary information.

**MARION COUNTY, INDIANA**  
**(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS-MARION COUNTY)**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED**  
**PROPERTY REASSESSMENT**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

		Budgeted Amounts			Variance with Final Budget— Positive (Negative)
		Original	Final	Actual Amounts	
Revenues					
Taxes	\$	1,863,489	\$ 1,863,489	\$ 1,838,394	\$ (25,095)
Interest		200,000	200,000	73,196	(126,804)
Miscellaneous		2,250	2,250	1,690	(560)
Total revenues		2,065,739	2,065,739	1,913,280	(152,459)
Expenditures					
Current:					
General government:		4,430,377	4,430,377	2,383,183	2,047,194
Total expenditures		4,430,377	4,430,377	2,383,183	2,047,194
Deficiency of revenues over expenditures	\$	(2,364,638)	\$ (2,364,638)	\$ (469,903)	\$ 1,894,735

See accompanying notes to the required supplementary information.

**MARION COUNTY, INDIANA**  
**(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS-MARION COUNTY)**  
**REQUIRED PENSION SUPPLEMENTARY INFORMATION - UNAUDITED**

**Schedules of Funding Progress**

<b>Valuation Date</b>	<b>(1) Net Assets Available for Benefits</b>	<b>(2) Actuarial Accrued Liability</b>	<b>(3) Assets in Excess of Actuarial Accrued Liability (AEAAL) (1)-(2)</b>	<b>(4) Funded Ratio (1)/(2)</b>	<b>(5) Annual Covered Payroll</b>	<b>AEAAL as a Percentage of Covered Payroll (3)/(5)</b>
<b>Marion County Law Enforcement Personnel: Retirement Plan</b>						
1/1/97	\$ 94,718,615	\$ 94,718,615	—	100.0%	\$16,133,000	0.0%
1/1/98	101,799,534	101,799,534	—	100.0	16,598,000	0.0
1/1/99	108,380,468	108,380,468	—	100.0	16,997,366	0.0
1/1/00	113,673,635	113,673,635	—	100.0	17,585,164	0.0
1/1/01	119,024,251	119,024,251	—	100.0	18,451,953	0.0
1/1/02	124,447,738	124,447,738	—	100.0	18,605,324	0.0
<b>Disability Plan</b>						
1/1/97	\$ 6,169,921	\$ 6,169,921	—	100.0%	\$ 16,133,000	0.0%
1/1/98	6,809,503	6,809,503	—	100.0	16,598,000	0.0
1/1/99	7,697,564	7,697,564	—	100.0	16,997,366	0.0
1/1/00	8,546,892	8,546,892	—	100.0	17,585,164	0.0
1/1/01	9,543,676	9,543,676	—	100.0	18,451,953	0.0
1/1/02	10,369,259	10,369,259	—	100.0	18,605,324	0.0

Analysis of the dollar amounts of net assets available for benefits, actuarial accrued liability, and excess of actuarial accrued liability (assets in excess of actuarial accrued liability) in isolation can be misleading. Expressing the net assets available for benefits as a percentage of the actuarial accrued liability provides one indication of the County's funding status on a going-concern basis. Analysis of this percentage over time indicates whether the plan is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the plan. Trends in funding status and annual covered payroll are both affected by inflation. Expressing the funding status as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of the County's progress made in accumulating sufficient assets to pay benefits when due. Generally, the higher this percentage, the stronger the plan.

In accordance with GASB No. 25, a schedule of funding progress is not required to be disclosed for the disability plan as supplementary information since the aggregate actuarial cost method used by the disability plan does not identify or separately amortize unfunded actuarial liabilities. Under this method, the excess of the Actuarial Present Value of Projected Benefits of the group over Actuarial Value of Assets is allocated on a level basis over the earnings of the group.

See accompanying notes to the required supplementary information.

(Continued)

**MARION COUNTY, INDIANA**  
**(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS-MARION COUNTY)**  
**REQUIRED PENSION SUPPLEMENTARY INFORMATION – UNAUDITED (CONTINUED)**

<b>Valuation Date</b>	<b>Schedules of Employer Contributions</b>	
	<b>Annual Required Contributions</b>	<b>Percentage Contributed</b>
<b>Marion County Law Enforcement Personnel: Retirement Plan</b>		
1/1/97	\$ 847,000	242.0%
1/1/98	1,501,726	109.1
1/1/99	1,346,025	110.6
1/1/00	1,609,078	109.4
1/1/01	2,228,225	105.7
1/1/02	2,665,033	107.1
<b>Disability Plan</b>		
1/1/97	\$ 585,000	105.2%
1/1/98	905,280	100.0
1/1/99	1,022,529	100.0
1/1/00	1,152,580	100.0
1/1/01	927,406	100.0
1/1/02	949,714	100.0

See accompanying notes to the required supplementary information.



**MARION COUNTY, INDIANA**  
**(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS-MARION COUNTY)**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**

**NOTE 1—BUDGETS AND BUDGETARY ACCOUNTING**

**Budgets:**

Budgets, detailed to the agency (i.e. department) and character level, are adopted for all governmental funds except the Prosecutor's Law Enforcement Equitable Share (Special Revenue Fund), County Construction (Capital Projects Fund) and Public Safety Interest Escrow (Capital Projects Fund) which are not legally required to do so. The Auditor's Endorsement Fee (Special Revenue Fund), County Sales Disclosure (Special Revenue), Clerk's Record Perpetuation (Special Revenue Fund-Other), Campaign Finance (Special Revenue Fund-Other), Drug Treatment Diversion (Special Revenue Fund-Other), County Sinking (Debt Service Fund) and Public Safety Capital Projects (Capital Projects Fund) were not budgeted during 2002 due to no expenditure activity.

A separate budgetary report has been prepared which is detailed to the agency and character level and is available upon request. The budgetary basis of accounting is essentially the cash basis with the exception that encumbrances and certain accounts payable are treated as expenditures.

The timetable for the budgetary process is as follows:

<b>June 1</b>	Auditor provides guidelines to County agencies
<b>July 1</b>	County Officials submit budgets
<b>August</b>	Auditor recommends budget to City-County Council
<b>August</b>	Council committees review/amend budgets based on public testimony
<b>September</b>	Council approves budget by last meeting of September
<b>December</b>	State of Indiana, Department of Local Government Finance reviews/adjusts and gives final approval to budget
<b>January 1</b>	Budget becomes effective

Revisions to transfer appropriations between agencies or character of expenditure require approval of the City-County Council. Revisions to increase the appropriations require approval of the City-County Council and the State of Indiana Department of Local Government Finance.

During the year, the following supplementary appropriations were properly approved for the General Fund, State and Federal Grants and Property Reassessments Funds:

	<u><b>General Fund</b></u>	<u><b>State and Federal Grants</b></u>	<u><b>Property Reassessment</b></u>
Original Appropriation	\$ 181,628,425	\$ 16,740,944	\$ 4,430,377
Reversions	4,920,737	—	—
Reversed appropriations	<u>\$ 186,549,162</u>	<u>\$ 16,740,944</u>	<u>\$ 4,430,377</u>

Unencumbered appropriations lapse at year-end and represent fund balances available for future commitment except for capital project funds which are budgeted on a project basis.

**MARION COUNTY, INDIANA**  
**(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS-MARION COUNTY)**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)**

**NOTE 2—BUDGET / GAAP REPORTING DIFFERENCES**

Adjustments required to convert the results of 2002 operations from a budgetary basis to a GAAP basis are as follows:

	<u><b>General Fund</b></u>	<u><b>State and Federal Grants</b></u>	<u><b>Property Reassessment</b></u>
<b>Revenues and other financing:</b>			
Changes in Fund Balance (GAAP basis)	\$ (31,172,638)	\$ 337,423	\$ (510,845)
<b>Add (deduct):</b>			
(Increase) decrease in receivables	(2,226,999)	(1,152,819)	1,600
Increase (decrease) in certain payables and prepaids	19,988,452	154,657	(100,545)
Increase (decrease) in current year encumbrances	(10,435,250)	22,111	139,492
Activities not budgeted	<u>2,559,864</u>	<u>242,638</u>	<u>395</u>
Revenues and other financing sources over (under) expenditures and other uses (budgetary basis)	<u><u>\$ (21,286,571)</u></u>	<u><u>\$ (395,990)</u></u>	<u><u>\$ (469,903)</u></u>



**COMBINING FUND FINANCIAL STATEMENTS AND SCHEDULES—  
OTHER SUPPLEMENTARY INFORMATION**

## **NONMAJOR GOVERNMENTAL FUNDS**

### **SPECIAL REVENUE FUNDS**

Special Revenue Funds are used to account for operating revenues which are restricted for particular purposes by State or Federal statute or which are designated by authority of the City-County Council to be maintained in separate funds.

**ADULT PROBATION**—Established to account for receipt of adult probation fees to be appropriated by the City-County Council for the courts' use in providing probation services to adults.

**JUVENILE PROBATION**—Established to account for receipt of juvenile probation fees to be appropriated by the City-County Council for the courts' use in providing probation services to juveniles.

**SURVEYOR'S CORNER PERPETUATION**—Established to account for receipt of fees collected by the County Recorder to be appropriated by the City-County Council for establishing or relocating corners and the keeping of the corner record book.

**PROSECUTOR'S DIVERSION**—Established to account for collection of user fees related to the operation of pre-trial diversion programs. All monies collected in this fund must be appropriated by the City-County Council and can be used only as the Prosecuting Attorney directs for pre-trial diversion programs.

**PROSECUTOR'S LAW ENFORCEMENT**—Established to account for the payment of restitution by certain offenders.

**SHERIFF'S CONTINUING EDUCATION**—Established to account for the continuing education fee for the County law enforcement agencies.

**COUNTY EXTRADITION**—Established to account for the collection of certain court fees to be appropriated by the City-County Council to offset extradition expense.

**COUNTY MISDEMEANANT**—Established by the State of Indiana to provide incentive to counties to locally house misdemeanants. This fund may be used only for funding the operation of a county jail, jail programs or other local correctional facilities.

**ALCOHOL AND DRUG SERVICES**—Established to account for the collection of court fees to be appropriated by the City-County Council for the operation of an alcohol and drug services program.

**COUNTY RECORDS PERPETUATION**—Established to account for certain fees which are collected by the County Recorder for the preservation of records and the improvement of recording systems and equipment.

**COMMUNITY CORRECTIONS HOME DETENTION**—Established to collect user fees related to the supervision of home detention.

**SUPPLEMENTAL PUBLIC DEFENDER FEE**—Established to account for the collection of fees assessed, at the discretion of the judge, on a defendant to cover costs incurred by the County as a result of court appointed legal services rendered to the defendant.

**DEFERRAL PROGRAM FEES**—Established to account for the collection of traffic violation process fees for people who are released on their own recognizance.

**COUNTY DRUG FREE COMMUNITY**—Established to promote comprehensive local alcohol and drug abuse prevention initiatives by supplementing local funding for treatment, education and criminal justice efforts.

**CONDITIONAL RELEASE**—Established to account for the pre-trial diversion program fees collected by the Clerk.

ENHANCED ACCESS—Established for the replacement, improvement, and expansion of capital expenditures and the reimbursement of operating expenses incurred in providing enhanced access to public information.

PROSECUTOR'S LAW ENFORCEMENT EQUITABLE SHARE—Established in accordance with federal guidelines to track all funds received under the Equitable Sharing Program.

JURY PAY—Established to fund costs of juror fees.

LOCAL EMERGENCY PLANNING—Established to provide the County with funds to help implement Title III of the Superfund Amendments and Reauthorization Act of 1986.

AUDITOR'S ENDORSEMENT FEE—Established to account for the receipt of fees charged on documents for endorsing a document affecting an interest in real property. This fund is to be used for the improvement and maintenance of the real property records systems and equipment.

COUNTY SALES DISCLOSURE—Established to account for the receipt of fees charged on the filing of a sales disclosure form. This fund is to be used for the administration of the sales disclosure function, training of assessing officials or the purchasing of computer software or hardware for a property record system.

OTHER—Used to account for activities of six other less significant revenue sources and related expenditures.

#### **DEBT SERVICE FUNDS**

Debt Service Funds are used to account for the accumulation of resources devoted to the payment of principal, interest, and related costs on long-term general obligation debt.

COUNTY SINKING—Established to account for the resources devoted to the payment of interest and principal on long-term general obligation debt issued by the County. This fund had no activity in 2002.

WELFARE JUDGMENT—Originally established to account for the resources devoted to the payment of interest and principal on the 1992 and 1993 Public Welfare General Obligation Bonds. In 2002, this fund was utilized to account for the resources devoted to the payment of interest and principal on the outstanding note payable.

#### **CAPITAL PROJECTS FUNDS**

Capital Projects Funds are used to account for resources designated to construct or acquire major capital facilities.

PUBLIC SAFETY CAPITAL PROJECTS AND PUBLIC SAFETY INTEREST ESCROW—Established to account for the development of the County integrated justice system and the upgrade of equipment for the County Forensic Services lab and County Sheriff's Department.

**MARION COUNTY, INDIANA**  
**(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS-MARION COUNTY)**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2002**

	Special Revenue Funds									
	Adult Probation	Juvenile Probation	Surveyor's Corner Perpetuation	Prosecutor's Diversion	Prosecutor's Law Enforcement	Sheriff's Continuing Education	County Extradition	County Misdemeanant	Alcohol and Drug Services	County Records Perpetuation
Assets										
Cash and investments	\$ 507,395	\$ 173,213	\$ 588,490	\$ 1,022,819	\$ 1,087,494	\$ 15,414	\$ 395,258	\$ 186,858	\$ 298,555	\$ 5,065,657
Receivables (net of allowance for uncollectibles):										
Accrued interest	—	—	—	—	—	—	—	—	—	—
Intergovernmental	—	—	—	—	—	—	—	—	—	—
Other	135	—	35,950	7,552	—	—	—	—	—	—
Due from other funds	—	—	—	—	—	—	—	—	—	—
Total assets	\$ 507,530	\$ 173,213	\$ 624,440	\$ 1,030,371	\$ 1,087,494	\$ 15,414	\$ 395,258	\$ 186,858	\$ 298,555	\$ 5,065,657
Liabilities and Fund Balances (Deficit)										
Liabilities:										
Accounts payable	\$ 29,488	\$ 29,623	\$ —	\$ 16,699	\$ 37,523	\$ 1,318	\$ 8,563	\$ 29,542	\$ —	\$ 7,401
Accrued liabilities	—	—	—	105,021	4,100	—	1,561	3,713	—	—
Intergovernmental payables	—	—	—	146,302	—	—	—	—	—	—
Due to other funds	—	—	—	—	—	16,915	—	—	—	—
Deferred revenue	—	—	—	—	—	—	—	—	—	—
Total liabilities	29,488	29,623	—	268,022	41,623	18,233	10,124	33,255	—	7,401
Fund Balances (Deficit):										
Reserved for encumbrances	30,472	—	2,101	—	—	—	—	30,855	588	—
Unreserved, undesignated	447,570	143,590	622,339	762,349	1,045,871	(2,819)	385,134	122,748	297,967	5,058,256
Total fund balances (deficit)	478,042	143,590	624,440	762,349	1,045,871	(2,819)	385,134	153,603	298,555	5,058,256
Total liabilities and fund balances	\$ 507,530	\$ 173,213	\$ 624,440	\$ 1,030,371	\$ 1,087,494	\$ 15,414	\$ 395,258	\$ 186,858	\$ 298,555	\$ 5,065,657

	Debt Service Funds			Capital Projects Funds			
	County Sinking	Welfare Judgment	Total Debt Service	Public Safety Capital Projects	Public Safety Interest Escrow	Total Capital Projects	Total Nonmajor Funds
Assets							
Cash and investments	\$ 10,780	\$ 632,561	\$ 643,341	\$ —	\$ 1,684	\$ 1,684	\$ 17,013,314
Receivables (net of allowance for uncollectibles):							
Accrued interest	—	—	—	—	—	—	85
Intergovernmental	—	—	—	—	—	—	84,146
Other	—	—	—	—	—	—	79,896
Due from other funds	—	377,313	377,313	—	—	—	377,313
Total assets	\$ 10,780	\$ 1,009,874	\$ 1,020,654	\$ —	\$ 1,684	\$ 1,684	\$ 17,554,754
Liabilities and Fund Balances (Deficit)							
Liabilities:							
Accounts payable	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 556,181
Accrued liabilities	—	—	—	—	—	—	387,477
Intergovernmental payables	—	—	—	—	—	—	805,155
Due to other funds	—	—	—	12,244	—	12,244	59,132
Deferred revenue	—	505,387	505,387	—	—	—	538,929
Total liabilities	—	505,387	505,387	12,244	—	12,244	2,346,874
Fund Balances (Deficit):							
Reserved for encumbrances	—	—	—	—	—	—	122,377
Unreserved, undesignated	10,780	504,487	515,267	(12,244)	1,684	(10,560)	15,085,503
Total fund balances (deficit)	10,780	504,487	515,267	(12,244)	1,684	(10,560)	15,207,880
Total liabilities and fund balances	\$ 10,780	\$ 1,009,874	\$ 1,020,654	\$ —	\$ 1,684	\$ 1,684	\$ 17,554,754

See Independent Auditors' Report.

Special Revenue Funds													
Community Corrections Home Detention	Supplemental Public Defender Fee	Deferral Program Fees	County Drug Free Community	Conditional Release	Enhanced Access	Prosecutor's Law Enforcement		Local Emergency Planning	Auditor's Endorsement Fee	County Sales Disclosure	Other	Total Special Revenue	
						Equitable Share	Jury Pay						
\$ 571,734	\$ 22,374	\$ 3,356,232	\$ 563,505	\$ 580,875	\$ 263,508	\$ 522,109	\$ 311,334	\$ 133,154	\$ 258,606	\$ 101,692	\$ 342,013	\$ 16,368,289	
—	—	—	—	—	—	85	—	—	—	—	—	85	
—	—	—	—	—	—	—	—	—	—	—	84,146	84,146	
—	—	17,723	2,539	722	—	—	—	—	3,023	2,100	10,152	79,896	
—	—	—	—	—	—	—	—	—	—	—	—	—	
<u>\$ 571,734</u>	<u>\$ 22,374</u>	<u>\$ 3,373,955</u>	<u>\$ 566,044</u>	<u>\$ 581,597</u>	<u>\$ 263,508</u>	<u>\$ 522,194</u>	<u>\$ 311,334</u>	<u>\$ 133,154</u>	<u>\$ 261,629</u>	<u>\$ 103,792</u>	<u>\$ 436,311</u>	<u>\$ 16,532,416</u>	
\$ 50,036	\$ —	\$ 160,007	\$ 101,427	\$ 1,546	\$ —	\$ —	\$ —	\$ 1,415	\$ —	\$ —	\$ 81,593	\$ 556,181	
31,282	—	229,957	3,820	1,546	—	—	—	—	—	—	6,477	387,477	
—	—	658,853	—	—	—	—	—	—	—	—	—	805,155	
—	—	—	—	—	—	—	—	—	—	—	29,973	46,888	
—	—	16,726	—	—	—	—	—	—	—	—	16,816	33,542	
<u>81,318</u>	<u>—</u>	<u>1,065,543</u>	<u>105,247</u>	<u>3,092</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,415</u>	<u>—</u>	<u>—</u>	<u>134,859</u>	<u>1,829,243</u>	
—	—	9,475	45,607	3,279	—	—	—	—	—	—	—	122,377	
<u>490,416</u>	<u>22,374</u>	<u>2,298,937</u>	<u>415,190</u>	<u>575,226</u>	<u>263,508</u>	<u>522,194</u>	<u>311,334</u>	<u>131,739</u>	<u>261,629</u>	<u>103,792</u>	<u>301,452</u>	<u>14,580,796</u>	
<u>490,416</u>	<u>22,374</u>	<u>2,308,412</u>	<u>460,797</u>	<u>578,505</u>	<u>263,508</u>	<u>522,194</u>	<u>311,334</u>	<u>131,739</u>	<u>261,629</u>	<u>103,792</u>	<u>301,452</u>	<u>14,703,173</u>	
<u>\$ 571,734</u>	<u>\$ 22,374</u>	<u>\$ 3,373,955</u>	<u>\$ 566,044</u>	<u>\$ 581,597</u>	<u>\$ 263,508</u>	<u>\$ 522,194</u>	<u>\$ 311,334</u>	<u>\$ 133,154</u>	<u>\$ 261,629</u>	<u>\$ 103,792</u>	<u>\$ 436,311</u>	<u>\$ 16,532,416</u>	

**MARION COUNTY, INDIANA**  
**(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS-MARION COUNTY)**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2002**

	Special Revenue Funds									
	Adult Probation	Juvenile Probation	Surveyor's Corner Perpetuation	Prosecutor's Diversion	Prosecutor's Law Enforcement	Sheriff's Continuing Education	County Extradition	County Misdemeanant	Alcohol and Drug Services	County Records Perpetuation
Revenues:										
Taxes	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Intergovernmental	—	—	—	—	558,807	—	—	600,551	—	—
Interest	—	—	—	—	—	—	—	—	—	—
Charges for services	1,491,669	129,694	228,185	714,413	—	41,474	43,650	—	1,078,035	1,706,974
Miscellaneous	540	—	20	—	120,890	—	—	—	—	—
Total revenues	<u>1,492,209</u>	<u>129,694</u>	<u>228,205</u>	<u>714,413</u>	<u>679,697</u>	<u>41,474</u>	<u>43,650</u>	<u>600,551</u>	<u>1,078,035</u>	<u>1,706,974</u>
Expenditures:										
Current:										
General government	1,142,848	105,292	55,224	—	—	—	133,337	15,238	1,070,594	305,014
Public safety	—	—	—	896,926	614,037	43,964	—	592,808	—	—
Debt service:										
Principal retirement	—	—	—	—	—	—	—	—	—	—
Interest and fiscal charges	—	—	—	—	—	—	—	—	—	—
Total expenditures	<u>1,142,848</u>	<u>105,292</u>	<u>55,224</u>	<u>896,926</u>	<u>614,037</u>	<u>43,964</u>	<u>133,337</u>	<u>608,046</u>	<u>1,070,594</u>	<u>305,014</u>
Excess (deficiency) of revenues over expenditures	<u>349,361</u>	<u>24,402</u>	<u>172,981</u>	<u>(182,513)</u>	<u>65,660</u>	<u>(2,490)</u>	<u>(89,687)</u>	<u>(7,495)</u>	<u>7,441</u>	<u>1,401,960</u>
Other financing sources (uses):										
Transfers in	—	—	—	—	—	—	—	—	—	41,747
Transfers out	—	—	—	—	—	—	—	—	—	—
Net other financing sources (uses)	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>41,747</u>
Net change in fund balance	349,361	24,402	172,981	(182,513)	65,660	(2,490)	(89,687)	(7,495)	7,441	1,443,707
Fund balance (deficit) - beginning of year	128,681	119,188	451,459	944,862	980,211	(329)	474,821	161,098	291,114	3,614,549
Fund balance (deficit) - end of year	<u>\$ 478,042</u>	<u>\$ 143,590</u>	<u>\$ 624,440</u>	<u>\$ 762,349</u>	<u>\$ 1,045,871</u>	<u>\$ (2,819)</u>	<u>\$ 385,134</u>	<u>\$ 153,603</u>	<u>\$ 298,555</u>	<u>\$ 5,058,256</u>

	Debt Service Funds			Capital Projects Funds			Total Nonmajor Funds
	County Sinking	Welfare Judgment	Total Debt Service	Public Safety Capital Projects	Public Safety Interest Escrow	Total Capital Project	
Revenues:							
Taxes	\$ —	\$ 10,874,564	\$ 10,874,564	\$ —	\$ —	\$ —	\$ 10,874,564
Intergovernmental	—	—	—	—	—	—	1,379,185
Interest	—	—	—	—	—	—	8,318
Charges for services	—	—	—	—	—	—	10,565,456
Miscellaneous	—	—	—	—	—	—	189,298
Total revenues	<u>—</u>	<u>10,874,564</u>	<u>10,874,564</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>23,016,821</u>
Expenditures:							
Current:							
General government	—	—	—	—	—	—	3,829,561
Public safety	—	—	—	—	—	—	8,027,677
Debt service:							
Principal retirement	—	10,000,000	10,000,000	—	—	—	10,000,000
Interest and fiscal charges	—	994,392	994,392	—	—	—	994,392
Total expenditures	<u>—</u>	<u>10,994,392</u>	<u>10,994,392</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>22,851,630</u>
Excess (deficiency) of revenues over expenditures	<u>—</u>	<u>(119,828)</u>	<u>(119,828)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>165,191</u>
Other financing sources (uses):							
Transfers in	—	—	—	—	—	—	41,747
Transfers out	—	—	—	—	—	—	(532,440)
Net other financing sources (uses)	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(490,693)</u>
Net change in fund balance	—	(119,828)	(119,828)	—	—	—	(325,502)
Fund balance (deficit) - beginning of year	10,780	624,315	635,095	(12,244)	1,684	(10,560)	15,533,382
Fund balance (deficit) - end of year	<u>\$ 10,780</u>	<u>\$ 504,487</u>	<u>\$ 515,267</u>	<u>\$ (12,244)</u>	<u>\$ 1,684</u>	<u>\$ (10,560)</u>	<u>\$ 15,207,880</u>

See Independent Auditor's Report.



Special Revenue Funds												
Community Corrections Home Detention	Supplemental Public Defender Fee	Deferral Program Fees	County Drug Free Community	Conditional Release	Enhanced Access	Prosecutor's Law Enforcement Equitable Share	Jury Pay	Local Emergency Planning	Auditor's Endorsement Fee	County Sales Disclosure	Other	Total Special Revenue
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
—	—	—	—	—	—	53,292	—	—	—	—	166,535	1,379,185
—	—	—	—	—	—	8,318	—	—	—	—	—	8,318
1,374,167	213,673	2,155,147	405,078	118,516	87,040	—	163,713	—	147,980	103,792	362,256	10,565,456
—	—	14,281	4,462	722	—	—	—	47,611	—	—	772	189,298
<u>1,374,167</u>	<u>213,673</u>	<u>2,169,428</u>	<u>409,540</u>	<u>119,238</u>	<u>87,040</u>	<u>61,610</u>	<u>163,713</u>	<u>47,611</u>	<u>147,980</u>	<u>103,792</u>	<u>529,563</u>	<u>12,142,257</u>
121,389	205,000	—	20,717	41,307	22,135	—	396,146	31,046	—	—	164,274	3,829,561
2,066,896	—	2,845,604	610,920	1,546	—	161,879	—	—	—	—	193,097	8,027,677
—	—	—	—	—	—	—	—	—	—	—	—	—
<u>2,188,285</u>	<u>205,000</u>	<u>2,845,604</u>	<u>631,637</u>	<u>42,853</u>	<u>22,135</u>	<u>161,879</u>	<u>396,146</u>	<u>31,046</u>	<u>—</u>	<u>—</u>	<u>357,371</u>	<u>11,857,238</u>
<u>(814,118)</u>	<u>8,673</u>	<u>(676,176)</u>	<u>(222,097)</u>	<u>76,385</u>	<u>64,905</u>	<u>(100,269)</u>	<u>(232,433)</u>	<u>16,565</u>	<u>147,980</u>	<u>103,792</u>	<u>172,192</u>	<u>285,019</u>
—	—	—	—	—	—	—	—	—	—	—	—	41,747
—	—	(430,000)	—	—	(102,440)	—	—	—	—	—	—	(532,440)
—	—	(430,000)	—	—	(102,440)	—	—	—	—	—	—	(490,693)
<u>(814,118)</u>	<u>8,673</u>	<u>(1,106,176)</u>	<u>(222,097)</u>	<u>76,385</u>	<u>(37,535)</u>	<u>(100,269)</u>	<u>(232,433)</u>	<u>16,565</u>	<u>147,980</u>	<u>103,792</u>	<u>172,192</u>	<u>(205,674)</u>
1,304,534	13,701	3,414,588	682,894	502,120	301,043	622,463	543,767	115,174	113,649	—	129,260	14,908,847
<u>\$ 490,416</u>	<u>\$ 22,374</u>	<u>\$ 2,308,412</u>	<u>\$ 460,797</u>	<u>\$ 578,505</u>	<u>\$ 263,508</u>	<u>\$ 522,194</u>	<u>\$ 311,334</u>	<u>\$ 131,739</u>	<u>\$ 261,629</u>	<u>\$ 103,792</u>	<u>\$ 301,452</u>	<u>\$ 14,703,173</u>

**MARION COUNTY, INDIANA**  
**(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS - MARION COUNTY)**  
**SCHEDULES OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**SPECIAL REVENUE FUNDS - NONMAJOR**  
**UNAUDITED**  
**YEAR ENDED DECEMBER 31, 2002**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget—</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>Adult Probation</b>				
Revenues:				
Charges for services	\$ 1,500,000	\$ 1,500,000	\$ 1,478,901	\$ (21,099)
Expenditures:				
General government	1,542,077	1,542,077	1,193,302	348,775
Excess (deficiency) of revenues over expenditures	\$ (42,077)	\$ (42,077)	\$ 285,599	\$ 327,676
<b>Juvenile Probation</b>				
Revenues:				
Charges for services	\$ 50,000	\$ 50,000	127,214	77,214
Expenditures:				
General government	70,000	120,000	105,595	14,405
Excess (deficiency) of revenues over expenditures	\$ (20,000)	\$ (70,000)	\$ 21,619	\$ 91,619
<b>Surveyor's Corner Perpetuation</b>				
Revenues:				
Charges for services	\$ 200,000	\$ 200,000	226,455	26,455
Expenditures:				
General government	129,338	129,338	55,429	73,909
Excess of revenues over expenditures	\$ 70,662	\$ 70,662	\$ 171,026	\$ 100,364
<b>Prosecutor's Diversion</b>				
Revenues:				
Charges for services	\$ 720,000	\$ 720,000	\$ 902,169	\$ 182,169
Expenditures:				
Public safety	864,077	864,077	696,767	167,310
Excess (deficiency) of revenues over expenditures	\$ (144,077)	\$ (144,077)	\$ 205,402	\$ 349,479
<b>Prosecutor's Law Enforcement</b>				
Revenues:				
Intergovernmental	\$ 624,000	\$ 624,000	\$ 609,909	\$ (14,091)
Expenditures:				
Public safety	1,060,118	1,119,914	809,412	310,502
Deficiency of revenues over expenditures	\$ (436,118)	\$ (495,914)	\$ (199,503)	\$ 296,411

(Continued)

**MARION COUNTY, INDIANA**  
**(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS - MARION COUNTY)**  
**SCHEDULES OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**SPECIAL REVENUE FUNDS - NONMAJOR**  
**UNAUDITED**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**  
**(Continued)**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget—</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>Sheriff's Continuing Education</b>				
Revenues:				
Charges for services	\$ 48,000	\$ 48,000	\$ 35,759	\$ (12,241)
Expenditures:				
Public safety	48,000	48,000	47,045	955
Deficiency of revenues over expenditures	\$ —	\$ —	\$ (11,286)	\$ (11,286)
<b>County Extradition</b>				
Revenues:				
Charges for services	\$ 150,000	\$ 150,000	\$ 43,600	\$ (106,400)
Expenditures:				
Public safety	139,558	139,558	129,402	10,156
Excess (deficiency) of revenues over expenditures	\$ 10,442	\$ 10,442	\$ (85,802)	\$ (96,244)
<b>County Misdemeanant</b>				
Revenues				
Intergovernment	\$ 600,551	\$ 600,551	\$ 600,665	\$ 114
Expenditures				
General government	15,238	15,238	15,238	—
Public Safety	613,377	613,377	611,404	1,973
Total expenditures	628,615	628,615	626,642	1,973
Deficiency of revenues over expenditures	\$ (28,064)	\$ (28,064)	\$ (25,977)	\$ 2,087
<b>Alcohol and Drug Services</b>				
Revenues				
Charges for services	\$ 1,100,000	\$ 1,100,000	\$ 1,015,633	\$ (84,367)
Expenditures				
General government	1,189,982	1,189,982	1,073,468	116,514
Deficiency of revenues over expenditures	\$ (89,982)	\$ (89,982)	\$ (57,835)	\$ 32,147
<b>County Records Perpetuation</b>				
Revenues:				
Charges for services	\$ 1,300,000	\$ 1,300,000	\$ 1,730,688	\$ 430,688
Expenditures				
General government	808,926	808,926	417,605	391,321
Excess of revenues over expenditures	\$ 491,074	\$ 491,074	\$ 1,313,083	\$ 822,009

(Continued)

**MARION COUNTY, INDIANA**  
**(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS - MARION COUNTY)**  
**SCHEDULES OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**SPECIAL REVENUE FUNDS - NONMAJOR**  
**UNAUDITED**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**  
**(Continued)**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget—</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>Community Corrections Home Detention</b>				
Revenues:				
Charges for services	\$ 80,000	\$ 80,000	\$ 1,374,791	\$ 1,294,791
Expenditures:				
General Government	\$ 7,659	\$ 271,988	\$ 121,389	\$ 150,599
Public Safety	149,803	2,575,289	2,048,529	526,760
Total expenditures	157,462	2,847,277	2,169,918	677,359
Deficiency of revenues over expenditures	\$ (77,462)	\$ (2,767,277)	\$ (795,127)	\$ 1,972,150
<b>Supplemental Public Defender Fee</b>				
Revenues:				
Charges for services	\$ 220,000	\$ 220,000	\$ 205,323	\$ (14,677)
Expenditures:				
General government	205,000	205,000	205,000	—
Excess of revenues over expenditures	\$ 15,000	\$ 15,000	\$ 323	\$ (14,677)
<b>Deferral Program Fees</b>				
Revenues:				
Charges for services	\$ 3,070,000	\$ 3,070,000	\$ 3,256,332	\$ 186,332
Expenditures:				
General government	403,687	403,687	319,152	84,535
Public safety	3,159,619	3,159,619	2,198,108	961,511
Total expenditures	3,563,306	3,563,306	2,517,260	1,046,046
Excess (deficiency) of revenues over expenditures	\$ (493,306)	\$ (493,306)	\$ 739,072	\$ 1,232,378
<b>County Drug Free Community</b>				
Revenues:				
Charges for services	\$ 450,000	\$ 450,000	\$ 408,297	\$ (41,703)
Expenditures:				
General government	—	23,000	20,717	2,283
Public safety	713,633	690,633	647,985	42,648
Total expenditures	713,633	713,633	668,702	44,931
Deficiency of revenues over expenditures	\$ (263,633)	\$ (263,633)	\$ (260,405)	\$ 3,228

(Continued)

**MARION COUNTY, INDIANA**  
**(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS - MARION COUNTY)**  
**SCHEDULES OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**SPECIAL REVENUE FUNDS - NONMAJOR**  
**UNAUDITED**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**  
**(Continued)**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget—</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>Conditional Release</b>				
Revenues:				
Charges for services	\$ 75,000	\$ 75,000	\$ 115,980	\$ 40,980
Expenditures:				
General government	87,600	112,600	39,761	72,839
Excess (deficiency) of revenues over expenditures	<u>\$ (12,600)</u>	<u>\$ (37,600)</u>	<u>\$ 76,219</u>	<u>\$ 113,819</u>
<b>Enhanced Access</b>				
Revenues:				
Charges for services	\$ 10,000	\$ 10,000	\$ 87,551	\$ 77,551
Expenditures:				
General government	100,000	145,500	124,575	20,925
Deficiency of revenues over expenditures	<u>\$ (90,000)</u>	<u>\$ (135,500)</u>	<u>\$ (37,024)</u>	<u>\$ 98,476</u>
<b>Jury Pay</b>				
Revenues:				
Charges for services	\$ 200,000	\$ 200,000	\$ 225,996	\$ 25,996
Expenditures:				
General government	250,000	400,000	396,146	3,854
Deficiency of revenues over expenditures	<u>\$ (50,000)</u>	<u>\$ (200,000)</u>	<u>\$ (170,150)</u>	<u>\$ 29,850</u>
<b>Local Emergency Planning</b>				
Revenues:				
Miscellaneous	\$ 30,000	\$ 30,000	\$ 47,611	\$ 17,611
Expenditures:				
General government	67,500	67,500	29,631	37,869
Excess (deficiency) of revenues over expenditures	<u>\$ (37,500)</u>	<u>\$ (37,500)</u>	<u>\$ 17,980</u>	<u>\$ 55,480</u>

(Continued)

**MARION COUNTY, INDIANA**  
**(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS - MARION COUNTY)**  
**SCHEDULES OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**SPECIAL REVENUE FUNDS - NONMAJOR**  
**UNAUDITED**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**  
**(Continued)**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget—</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>Other - Guardian Ad Litem</b>				
Revenues:				
Intergovernmental	\$ 70,000	\$ 70,000	\$ 142,495	\$ 72,495
Expenditures:				
Public safety	65,918	135,918	135,782	136
Excess (deficiency) of revenues over expenditures	\$ 4,082	\$ (65,918)	\$ 6,713	\$ 72,631
<b>Other - County Grants</b>				
Revenues:				
Intergovernmental	\$ 156,978	\$ 156,978	\$ 276,300	\$ 119,322
Expenditures:				
General government	116,335	116,335	64,369	51,966
Public safety	112,883	112,883	68,106	44,777
Total expenditures	229,218	229,218	132,475	96,743
Excess (deficiency) of revenues over expenditures	\$ (72,240)	\$ (72,240)	\$ 143,825	\$ 216,065
<b>Other - Child Advocacy</b>				
Revenues:				
Charges for services	\$ —	\$ —	\$ 3,773	\$ 3,773
Expenditures:				
General government	—	2,983	2,983	—
Excess (deficiency) of revenues over expenditures	\$ —	\$ (2,983)	\$ 790	\$ 3,773

See Independent Auditors' Report.

**MARION COUNTY, INDIANA**  
**(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS-MARION COUNTY)**  
**DEBT SERVICE FUND - WELFARE JUDGMENT**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**UNAUDITED**  
**YEAR ENDED DECEMBER 31, 2002**

	<b>Original and Revised Budget</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget— Positive (Negative)</b>
Revenues:			
Taxes	\$ 10,338,113	\$ 10,874,564	\$ 536,451
Expenditures:			
Debt service:			
Debt retirement	10,000,000	10,000,000	—
Interest and fiscal charges	900,000	836,906	63,094
Total expenditures	<u>10,900,000</u>	<u>10,836,906</u>	<u>63,094</u>
Excess (deficiency) of revenues over expenditures	\$ <u>(561,887)</u>	\$ <u>37,658</u>	\$ <u>599,545</u>

See Independent Auditors' Report.

**MARION COUNTY, INDIANA**  
**(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS - MARION COUNTY)**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**CAPITAL PROJECTS FUND - CUMULATIVE CAPITAL DEVELOPMENT**  
**UNAUDITED**  
**YEAR ENDED DECEMBER 31, 2002**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget—</u> <u>Positive</u> <u>(Negative)</u>
Revenues:				
Taxes	\$ 9,349,028	\$ 9,349,028	\$ 9,223,125	\$ (125,903)
Miscellaneous	<u>450,000</u>	<u>450,000</u>	<u>372,890</u>	<u>(77,110)</u>
Total revenues	<u>9,799,028</u>	<u>9,799,028</u>	<u>9,596,015</u>	<u>(203,013)</u>
Expenditures:				
Capital outlay	5,485,212	5,780,212	5,545,812	234,400
Distribution to City of Indianapolis	<u>4,221,091</u>	<u>4,221,091</u>	<u>4,150,407</u>	<u>70,684</u>
Total expenditures	<u>9,706,303</u>	<u>10,001,303</u>	<u>9,696,219</u>	<u>305,084</u>
Excess (deficiency) of revenues over expenditures	\$ <u>92,725</u>	\$ <u>(202,275)</u>	\$ <u>(100,204)</u>	\$ <u>102,071</u>

See Independent Auditors' Report.



## **FIDUCIARY FUND TYPES**

### **PENSION TRUST FUNDS**

Pension Trust Funds are those funds held in trust for disbursement to covered employees.

**MARION COUNTY LAW ENFORCEMENT PERSONNEL RETIREMENT PLAN (RETIREMENT)**—To account for assets held in the Marion County Law Enforcement Personnel Retirement Plan for eligible employees of the Marion County Sheriff's Department.

**MARION COUNTY LAW ENFORCEMENT PERSONNEL DEPENDENTS AND DISABILITY BENEFITS PLAN (DISABILITY)**—To account for assets held in the Marion County Law Enforcement Personnel Dependents and Disability Benefits Plan for eligible employees of the Marion County Sheriff's Department.

### **AGENCY FUNDS**

Agency Funds are used to account for transactions related to assets of others held in their behalf by the County.

**GROSS INCOME TAX**—Established to account for gross income taxes collected by the County Treasurer to be remitted to the State of Indiana.

**EXCISE TAX REFUNDS**—Established to refund monies to taxpayers where an error or overpayment has occurred in the payment of excise tax.

**PROPERTY TAX REFUNDS**—Established to refund monies to taxpayers where an error has occurred in the payment assessment of property tax.

**STATE TAXES**—Established to account for inheritance taxes, forfeiture of bonds, and fines paid in all courts which are collected by the County and remitted to the State of Indiana.

**TAX SALE REDEMPTION**—Established as an escrow account for funds received from property sold in a tax sale.

**TAX SALE SURPLUS**—Established to account for funds received over and above delinquent taxes received from property sold in a tax sale.

**STATE PUBLIC SAFETY FEES**—Established to account for various fees collected by the Courts and then remitted to the State. These include domestic violence fees, judicial fees, infraction judgments, state prosecutor fees, state docket fees, judicial salary fees, and victims of violent crimes fees.

**SALE OF COUNTY-OWNED PROPERTY**—Established to record funds received from the sale of County properties which were claimed for delinquent taxes.

**TREASURER'S SURPLUS**—Established to account for overpayment of taxes or misapplication of tax payments received.

**TRUST CLEARANCE**—Established as an escrow fund for assets held for disadvantaged children under the care of the Division of Family and Children. Authorization for receipts and disbursements is made through the Division of Family and Children by order of the Circuit Court.

**COURT COSTS TO MUNICIPALITIES**—Established to account for the portion of court costs collected and subsequently disbursed to various municipalities within Marion County.

**TREASURER'S TAX COLLECTION**—Established to account for advancement and final distribution of taxes collected by the County Treasurer for all taxing units within the County.

WELFARE—Established to account for the processing of welfare program disbursements for the Division of Family and Children which is administered by the State of Indiana. The County closed this fund in 2002.

FAMILY AND CHILDREN SERVICES—Established to fund the Children in Need of Services program and for delinquent children.

LAW ENFORCEMENT CONTINUING EDUCATION—Established to account for fees collected by the County and subsequently disbursed to various law enforcement agencies for continuing education programs.

PAYROLL—Established to account for the receipt of the gross payroll transfers from all County funds having personal services expenditures and the subsequent disbursements of net payroll checks and withholdings.

JUVENILE COURT, PROBATION, CLERK OF CIRCUIT COURT, SHERIFF—Represent various custodial and fiduciary bank accounts maintained by the designated department in the course of normal operations.

OTHER—Represents eleven other less significant fiduciary funds that are maintained by Marion County on behalf of others.

**MARION COUNTY, INDIANA**  
**(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS - MARION COUNTY)**  
**COMBINING STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS BY FUND TYPE**  
**DECEMBER 31, 2002**

	<b>Pension Trust Funds</b>	<b>Agency Funds</b>	<b>Total</b>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Assets</b>			
Cash and investments	\$ 111,637,272	\$ 56,693,232	\$ 168,330,504
Receivables:			
Property taxes	—	73,246,606	73,246,606
Accrued interest	370,803	—	370,803
Due from other funds	4,043,009	2,118,085	6,161,094
Total assets	<u>116,051,084</u>	<u>\$ 132,057,923</u>	<u>\$ 248,109,007</u>
<b>Liabilities</b>			
Accrued liabilities	\$ 130,116	\$ —	\$ 130,116
Due to other funds	—	15,746,450	15,746,450
Pending purchase of investments	1,565,088	—	1,565,088
Amounts held in custody for others	—	116,311,473	116,311,473
Total liabilities	<u>1,695,204</u>	<u>\$ 132,057,923</u>	<u>\$ 133,753,127</u>
<b>Net Assets</b>			
Net assets for employees' pension benefits	<u>\$ 114,355,880</u>		

See Independent Auditors' Report.

**MARION COUNTY, INDIANA**  
**(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS - MARION COUNTY)**  
**COMBINING STATEMENT OF FIDUCIARY NET ASSETS - PENSION TRUST FUNDS**  
**DECEMBER 31, 2002**

	<u>Retirement</u>	<u>Disability</u>	<u>Total</u>
<b>Assets</b>			
Cash and investments	\$ 101,466,981	\$ 10,170,291	\$ 111,637,272
Receivables:			
Accrued interest	369,096	1,707	370,803
Due from other funds	3,093,295	949,714	4,043,009
Total assets	<u>104,929,372</u>	<u>11,121,712</u>	<u>116,051,084</u>
<b>Liabilities</b>			
Accrued liabilities	129,019	1,097	130,116
Pending purchase of investments	1,565,088	—	1,565,088
Total liabilities	<u>1,694,107</u>	<u>1,097</u>	<u>1,695,204</u>
<b>Net Assets</b>			
Net assets for employees' pension benefits	<u>\$ 103,235,265</u>	<u>\$ 11,120,615</u>	<u>\$ 114,355,880</u>

See Independent Auditors' Report.

**MARION COUNTY, INDIANA**  
**(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS - MARION COUNTY)**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS - FIDUCIARY FUNDS -**  
**PENSION TRUST FUNDS**  
**YEAR ENDED DECEMBER 31, 2002**

	<b>Retirement</b>	<b>Disability</b>	<b>Total</b>
<b>Additions</b>			
Contributions:			
Employer	\$ 2,826,517	\$ 949,714	\$ 3,776,231
Employee	<u>1,003,848</u>	<u>—</u>	<u>1,003,848</u>
Total contributions	<u>3,830,365</u>	<u>949,714</u>	<u>4,780,079</u>
Investment income:			
Interest and dividends	2,838,251	201,193	3,039,444
Increase (decrease) in fair value of investments	(15,607,137)	652,600	(14,954,537)
Less investment expenses	<u>(421,614)</u>	<u>(4,220)</u>	<u>(425,834)</u>
Net investment income	<u>(13,190,500)</u>	<u>849,573</u>	<u>(12,340,927)</u>
Miscellaneous	<u>69,850</u>	<u>—</u>	<u>69,850</u>
Total additions	<u>(9,290,285)</u>	<u>1,799,287</u>	<u>(7,490,998)</u>
<b>Deductions</b>			
Retirement benefits	<u>4,966,829</u>	<u>704,246</u>	<u>5,671,075</u>
Total deductions	<u>4,966,829</u>	<u>704,246</u>	<u>5,671,075</u>
Change in plan net assets	(14,257,114)	1,095,041	(13,162,073)
Net assets - beginning of year	<u>117,492,379</u>	<u>10,025,574</u>	<u>127,517,953</u>
Net assets - end of year	<u><u>\$ 103,235,265</u></u>	<u><u>\$ 11,120,615</u></u>	<u><u>\$ 114,355,880</u></u>

See Independent Auditors' Report.

**MARION COUNTY, INDIANA**  
**(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS - MARION COUNTY)**  
**COMBINING STATEMENT OF FIDUCIARY NET ASSETS - AGENCY FUNDS**  
**DECEMBER 31, 2002**

	<u>Gross Income Tax</u>	<u>Excise Tax Refunds</u>	<u>Property Tax Refunds</u>	<u>State Taxes</u>	<u>Tax Sale Redemption</u>	<u>Tax Sale Surplus</u>	<u>State Public Safety Fees</u>	<u>Sale of County- Owned Property</u>	<u>Treasurer's Surplus</u>	<u>Trust Clearance</u>	<u>Court Costs to Municipalities</u>	<u>Treasurer's Tax Collection</u>
<b>Assets</b>												
Cash and investments	\$ 230,298	\$ —	\$ —	\$ 8,523,929	\$ —	\$ 9,189,721	\$ 308,397	\$ 782,748	\$ 4,445,192	\$ 84,148	\$ 298,349	\$ 14,197,088
Property taxes receivable	—	—	—	—	—	—	—	—	—	—	—	73,246,606
Due from other funds	—	32,680	226,056	—	—	—	—	—	—	—	—	—
Total assets	<u>\$ 230,298</u>	<u>\$ 32,680</u>	<u>\$ 226,056</u>	<u>\$ 8,523,929</u>	<u>\$ —</u>	<u>\$ 9,189,721</u>	<u>\$ 308,397</u>	<u>\$ 782,748</u>	<u>\$ 4,445,192</u>	<u>\$ 84,148</u>	<u>\$ 298,349</u>	<u>\$ 87,443,694</u>
<b>Liabilities</b>												
Due to other funds	\$ —	\$ —	\$ —	\$ 3,223	\$ 35,013	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 15,468,115
Amounts held in custody for others	230,298	32,680	226,056	8,520,706	(35,013)	9,189,721	308,397	782,748	4,445,192	84,148	298,349	71,975,579
Total liabilities	<u>\$ 230,298</u>	<u>\$ 32,680</u>	<u>\$ 226,056</u>	<u>\$ 8,523,929</u>	<u>\$ —</u>	<u>\$ 9,189,721</u>	<u>\$ 308,397</u>	<u>\$ 782,748</u>	<u>\$ 4,445,192</u>	<u>\$ 84,148</u>	<u>\$ 298,349</u>	<u>\$ 87,443,694</u>

	<u>Family and Children Services</u>	<u>Law Enforcement Continuing Education</u>	<u>Payroll</u>	<u>Juvenile Court</u>	<u>Probation</u>	<u>Clerk of Circuit Court</u>	<u>Sheriff</u>	<u>Other</u>	<u>Total</u>
<b>Assets</b>									
Cash and investments	\$ 2,971,380	\$ 447,936	\$ 2,730,055	\$ 106,089	\$ 225,278	\$ 8,173,577	\$ 3,890,000	\$ 89,047	\$ 56,693,232
Property taxes receivable	—	—	—	—	—	—	—	—	73,246,606
Due from other funds	1,859,349	—	—	—	—	—	—	—	2,118,085
Total assets	<u>\$ 4,830,729</u>	<u>\$ 447,936</u>	<u>\$ 2,730,055</u>	<u>\$ 106,089</u>	<u>\$ 225,278</u>	<u>\$ 8,173,577</u>	<u>\$ 3,890,000</u>	<u>\$ 89,047</u>	<u>\$ 132,057,923</u>
<b>Liabilities</b>									
Due to other funds	\$ —	\$ —	\$ 240,099	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 15,746,450
Amounts held in custody for others	4,830,729	447,936	2,489,956	106,089	225,278	8,173,577	3,890,000	89,047	116,311,473
Total liabilities	<u>\$ 4,830,729</u>	<u>\$ 447,936</u>	<u>\$ 2,730,055</u>	<u>\$ 106,089</u>	<u>\$ 225,278</u>	<u>\$ 8,173,577</u>	<u>\$ 3,890,000</u>	<u>\$ 89,047</u>	<u>\$ 132,057,923</u>

See Independent Auditors' Report.

**MARION COUNTY, INDIANA**  
**(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS - MARION COUNTY)**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS**  
**FOR THE YEAR ENDING DECEMBER 31, 2002**

	<u>Balance January 1, 2002</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31, 2002</u>
<b>Gross Income Tax</b>				
Assets:				
Cash and investments	\$ <u>180,231</u>	\$ <u>786,465</u>	\$ <u>736,398</u>	\$ <u>230,298</u>
Liabilities:				
Amounts held in custody for others	\$ <u>180,231</u>	\$ <u>786,465</u>	\$ <u>736,398</u>	\$ <u>230,298</u>
<b>Excise Tax Refunds</b>				
Assets:				
Cash and investments	\$ —	\$ 786	\$ 786	\$ —
Due from other funds	<u>33,474</u>	<u>32,680</u>	<u>33,474</u>	<u>32,680</u>
	\$ <u>33,474</u>	\$ <u>33,466</u>	\$ <u>34,260</u>	\$ <u>32,680</u>
Liabilities:				
Amounts held in custody for others	\$ <u>33,474</u>	\$ <u>33,466</u>	\$ <u>34,260</u>	\$ <u>32,680</u>
<b>Property Tax Refunds</b>				
Assets:				
Cash and investments	\$ —	\$ 17,997,600	\$ 17,997,600	\$ —
Due from other funds	<u>859,362</u>	<u>226,056</u>	<u>859,362</u>	<u>226,056</u>
	\$ <u>859,362</u>	\$ <u>18,223,656</u>	\$ <u>18,856,962</u>	\$ <u>226,056</u>
Liabilities:				
Amounts held in custody for others	\$ <u>859,362</u>	\$ <u>18,223,656</u>	\$ <u>18,856,962</u>	\$ <u>226,056</u>
<b>State Taxes</b>				
Assets:				
Cash and investments	\$ <u>5,362,484</u>	\$ <u>40,305,492</u>	\$ <u>37,144,047</u>	\$ <u>8,523,929</u>
Liabilities:				
Due to other funds	\$ 3,729	\$ 3,223	\$ 3,729	\$ 3,223
Amounts held in custody for others	<u>5,358,755</u>	<u>40,302,269</u>	<u>37,140,318</u>	<u>8,520,706</u>
	\$ <u>5,362,484</u>	\$ <u>40,305,492</u>	\$ <u>37,144,047</u>	\$ <u>8,523,929</u>
<b>Tax Sale Redemption</b>				
Assets:				
Cash and investments	\$ <u>27,367</u>	\$ <u>3,749,056</u>	\$ <u>3,776,423</u>	\$ —
Liabilities:				
Due to other funds	\$ —	\$ 35,013	\$ —	\$ 35,013
Amounts held in custody for others	<u>27,367</u>	<u>3,714,043</u>	<u>3,776,423</u>	<u>(35,013)</u>
	\$ <u>27,367</u>	\$ <u>3,749,056</u>	\$ <u>3,776,423</u>	\$ —
<b>Tax Sale Surplus</b>				
Assets:				
Cash and investments	\$ <u>6,983,912</u>	\$ <u>10,852,301</u>	\$ <u>8,646,492</u>	\$ <u>9,189,721</u>
Liabilities:				
Amounts held in custody for others	\$ <u>6,983,912</u>	\$ <u>10,852,301</u>	\$ <u>8,646,492</u>	\$ <u>9,189,721</u>

(Continued)

**MARION COUNTY, INDIANA**  
**(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS - MARION COUNTY)**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS**  
**FOR THE YEAR ENDING DECEMBER 31, 2002**  
**(CONTINUED)**

	Balance January 1, 2002	Additions	Deductions	Balance December 31, 2002
<b>State Public Safety Fees</b>				
Assets:				
Cash and investments	\$ 156,796	\$ 2,801,848	\$ 2,650,247	\$ 308,397
Due from other funds	870,580	—	870,580	—
	<u>\$ 1,027,376</u>	<u>\$ 2,801,848</u>	<u>\$ 3,520,827</u>	<u>\$ 308,397</u>
Liabilities:				
Amounts held in custody for others	<u>\$ 1,027,376</u>	<u>\$ 2,801,848</u>	<u>\$ 3,520,827</u>	<u>\$ 308,397</u>
<b>Sale of County-Owned Property</b>				
Assets:				
Cash and investments	<u>\$ 784,635</u>	<u>\$ 454,931</u>	<u>\$ 456,818</u>	<u>\$ 782,748</u>
Liabilities:				
Amounts held in custody for others	<u>\$ 784,635</u>	<u>\$ 454,931</u>	<u>\$ 456,818</u>	<u>\$ 782,748</u>
<b>Treasurer's Surplus</b>				
Assets:				
Cash and investments	<u>\$ 3,866,735</u>	<u>\$ 3,224,290</u>	<u>\$ 2,645,833</u>	<u>\$ 4,445,192</u>
Liabilities:				
Amounts held in custody for others	<u>\$ 3,866,735</u>	<u>\$ 3,224,290</u>	<u>\$ 2,645,833</u>	<u>\$ 4,445,192</u>
<b>Trust Clearance</b>				
Assets:				
Cash and investments	<u>\$ 76,423</u>	<u>\$ 515,818</u>	<u>\$ 508,093</u>	<u>\$ 84,148</u>
Liabilities:				
Amounts held in custody for others	<u>\$ 76,423</u>	<u>\$ 515,818</u>	<u>\$ 508,093</u>	<u>\$ 84,148</u>
<b>Court Costs to Municipalities</b>				
Assets:				
Cash and investments	\$ 497,983	\$ 298,349	\$ 497,983	\$ 298,349
Due from other funds	64,326	—	64,326	—
	<u>\$ 562,309</u>	<u>\$ 298,349</u>	<u>\$ 562,309</u>	<u>\$ 298,349</u>
Liabilities:				
Amounts held in custody for others	<u>\$ 562,309</u>	<u>\$ 298,349</u>	<u>\$ 562,309</u>	<u>\$ 298,349</u>
<b>Treasurer's Tax Collection</b>				
Assets:				
Cash and investments	\$ 18,752,025	\$ 1,340,904,468	\$ 1,345,459,405	\$ 14,197,088
Property taxes receivable	73,591,953	73,246,606	73,591,953	73,246,606
	<u>\$ 92,343,978</u>	<u>\$ 1,414,151,074</u>	<u>\$ 1,419,051,358</u>	<u>\$ 87,443,694</u>
Liabilities:				
Due to other funds	\$ 17,534,999	\$ 15,468,115	\$ 17,534,999	\$ 15,468,115
Amounts held in custody for others	74,808,979	1,398,682,959	1,401,516,359	71,975,579
	<u>\$ 92,343,978</u>	<u>\$ 1,414,151,074</u>	<u>\$ 1,419,051,358</u>	<u>\$ 87,443,694</u>

(Continued)



**MARION COUNTY, INDIANA**  
**(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS - MARION COUNTY)**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS**  
**FOR THE YEAR ENDING DECEMBER 31, 2002**  
**(CONTINUED)**

	<b>Balance January 1, 2002</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance December 31, 2002</b>
<b>Welfare</b>				
Assets:				
Cash and investments	\$ 1,684,137	\$ 774	\$ 1,684,911	\$ —
Liabilities:				
Amounts held in custody for others	\$ 1,684,137	\$ 774	\$ 1,684,911	\$ —
<b>Family and Children Services</b>				
Assets:				
Cash and investments	\$ 116,351	\$ 92,362,066	\$ 89,507,037	\$ 2,971,380
Due from other funds	2,218,611	1,859,349	2,218,611	1,859,349
	\$ 2,334,962	\$ 94,221,415	\$ 91,725,648	\$ 4,830,729
Liabilities:				
Due to other funds	\$ 1,335,626	\$ —	\$ 1,335,626	\$ —
Amounts held in custody for others	999,336	94,221,415	90,390,022	4,830,729
	\$ 2,334,962	\$ 94,221,415	\$ 91,725,648	\$ 4,830,729
<b>Law Enforcement Continuing Education</b>				
Assets:				
Cash and investments	\$ 493,198	\$ 229,649	\$ 274,911	\$ 447,936
Due from other funds	65,325	—	65,325	—
	\$ 558,523	\$ 229,649	\$ 340,236	\$ 447,936
Liabilities:				
Amounts held in custody for others	\$ 558,523	\$ 229,649	\$ 340,236	\$ 447,936
<b>Payroll</b>				
Assets:				
Cash and investments	\$ 1,766,873	\$ 123,424,139	\$ 122,460,957	\$ 2,730,055
Due from other funds	430,691	—	430,691	—
	\$ 2,197,564	\$ 123,424,139	\$ 122,891,648	\$ 2,730,055
Liabilities:				
Due to other funds	\$ 268,904	\$ 240,099	\$ 268,904	\$ 240,099
Amounts held in custody for others	1,928,660	123,184,040	122,622,744	2,489,956
	\$ 2,197,564	\$ 123,424,139	\$ 122,891,648	\$ 2,730,055
<b>Juvenile Court</b>				
Assets:				
Cash and investments	\$ 99,843	\$ 78,928	\$ 72,682	\$ 106,089
Liabilities:				
Amounts held in custody for others	\$ 99,843	\$ 78,928	\$ 72,682	\$ 106,089

(Continued)

**MARION COUNTY, INDIANA**  
**(COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS - MARION COUNTY)**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS**  
**FOR THE YEAR ENDING DECEMBER 31, 2002**  
**(CONTINUED)**

	Balance January 1, 2002	Additions	Deductions	Balance December 31, 2002
<b>Probation</b>				
Assets:				
Cash and investments	\$ 631,562	\$ 2,735,339	\$ 3,141,623	\$ 225,278
Liabilities:				
Due to other funds	\$ 89,783	\$ —	\$ 89,783	\$ —
Amounts held in custody for others	541,779	2,735,339	3,051,840	225,278
	<u>\$ 631,562</u>	<u>\$ 2,735,339</u>	<u>\$ 3,141,623</u>	<u>\$ 225,278</u>
<b>Clerk of Circuit Court</b>				
Assets:				
Cash and investments	\$ 11,657,165	\$ 444,176,697	\$ 447,660,285	\$ 8,173,577
Other receivable	1,540,001	—	1,540,001	—
	<u>\$ 13,197,166</u>	<u>\$ 444,176,697</u>	<u>\$ 449,200,286</u>	<u>\$ 8,173,577</u>
Liabilities:				
Due to other funds	\$ 3,343,259	\$ —	\$ 3,343,259	\$ —
Amounts held in custody for others	9,853,907	444,176,697	445,857,027	8,173,577
	<u>\$ 13,197,166</u>	<u>\$ 444,176,697</u>	<u>\$ 449,200,286</u>	<u>\$ 8,173,577</u>
<b>Sheriff</b>				
Assets:				
Cash and investments	\$ 3,031,364	\$ 32,967,254	\$ 32,108,618	\$ 3,890,000
Liabilities:				
Amounts held in custody for others	\$ 3,031,364	\$ 32,967,254	\$ 32,108,618	\$ 3,890,000
<b>Other</b>				
Assets:				
Cash and investments	\$ 100,985	\$ 153,284	\$ 165,222	\$ 89,047
Liabilities:				
Amounts held in custody for others	\$ 100,985	\$ 153,284	\$ 165,222	\$ 89,047
<b>TOTAL ALL AGENCY FUNDS</b>				
Assets:				
Cash and investments	\$ 56,270,069	\$ 2,118,019,534	\$ 2,117,596,371	\$ 56,693,232
Property taxes receivable	73,591,953	73,246,606	73,591,953	73,246,606
Due from other funds	4,542,369	2,118,085	4,542,369	2,118,085
Other receivable	1,540,001	—	1,540,001	—
	<u>\$ 135,944,392</u>	<u>\$ 2,193,384,225</u>	<u>\$ 2,197,270,694</u>	<u>\$ 132,057,923</u>
Liabilities:				
Due to other funds	\$ 22,576,300	\$ 15,746,450	\$ 22,576,300	\$ 15,746,450
Amounts held in custody for others	113,368,092	2,177,637,775	2,174,694,394	116,311,473
	<u>\$ 135,944,392</u>	<u>\$ 2,193,384,225</u>	<u>\$ 2,197,270,694</u>	<u>\$ 132,057,923</u>

See Independent Auditors' Report.